



About BhadohiBDS.com

As part of the project 'Implementing Business Development Services in the Bhadohi Floor Covering Cluster', a web portal www.bhadohibds.com has been launched to provide a Common Platform for Service Providers and Enterprises in Bhadohi Floor Covering Cluster. The Bhadohi Floor Covering manufacturers, BDS providers, consultants and suppliers can register to avail services of the web portal. The sections on events in floor covering sector and upcoming events will provide latest information on the activities and events.

REGISTER AT
www.bhadohibds.com



UPCOMING EVENTS PLANNED FOR NEXT QUARTER (JAN-MARCH-2010)

- Organizing of 2nd CCC meeting
- Collection of data on Floor coverings related BDS at national & international level
- Maintenance of web portal
- Organizing training programme for lead auditors by ISO training agencies
- Identification and visit to benchmark association for dyeing units.
- Five day training programme on Best Management Practices for association staff
- Piloting of process standardisation in 10 dye houses
- Feasibility study on adoption of solar boilers
- Piloting of solar boiling technology in 6 dye houses
- Pilot process auditing of 20 firms
- Sensitisation workshop for formation of marketing consortia
- Organising visit to China
- Preparation and submission of DPR to Ministry of MSME/ Textiles

For more details visit www.bhadohibds.com

About APITCO

APITCO, incorporated in 1976, is a premier Technical Consultancy Organisation (TCO) promoted jointly by all-India financial institutions (IDBI, IFCI, ICICI), industry development corporations in Andhra Pradesh (APIDC, APSFC) and Commercial Banks (Andhra Bank, Indian Bank, State Bank of India, Syndicate Bank).

APITCO has been actively engaged in the development of fruit processing, foundry, readymade garments, handloom cotton durries and mango jelly clusters in Andhra Pradesh. Currently, APITCO is implementing nine SME cluster development projects in Andhra Pradesh for Mango Jelly Processing; Food Processing; Turmeric Processing; Readymade Garments Manufacturing; Burnt Lime Manufacturing; Graphite Crucible Manufacturing; Imitation Jewellery.

APITCO has been chosen by SIDBI-PMD Division as the Facilitator Agency for the development of BDS markets in the Bhadohi BDS Floor Covering cluster.

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About CAPSULE

An association of SME services providers' organisation under one umbrella providing services to User SME organization. The ultimate goal is to enable MSMEs improve business performance and achieve sustainable growth. CAPSULE will do this by providing a basket of varied cost effective services comprising of the latest management methods and technology solutions which will in turn help the MSMEs make the best use of available resources.

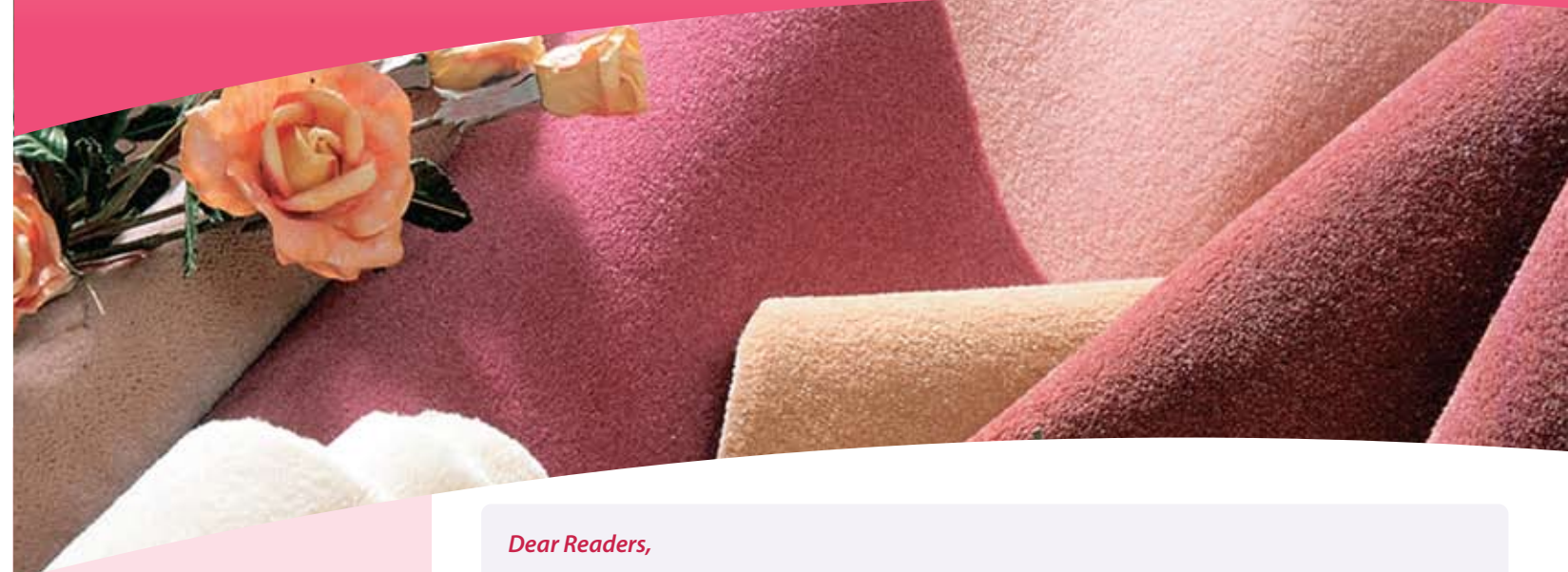
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News Bulletin

Implementing Business Development Services (BDS)
For MSMEs in Bhadohi Floor Cluster
Implemented by SIDBI & Facilitated by APITCO Limited



About SIDBI

SIDBI was established on April 2, 1990. The Charter establishing it, The Small Industries Development Bank of India Act, 1989 envisaged SIDBI to be "the principal financial institution for the promotion, financing and development of industry in the small scale sector and to co-ordinate the functions of the institutions engaged in the promotion and financing of developing industry in the small scale sector and for matters connected therewith or incidental there to.

With intent to facilitate increased flow of credit to MSMEs and support other developmental initiatives, SIDBI is implementing a multi-agency / multi-activity flagship project on financing and development of Small and Medium Enterprises in India.

SIDBI has been assigned with the responsibility of implementing the Project, Banking Division, DEA of the Ministry of Finance; Government of India (GoI) is the nodal agency for the same. For implementation of the project, SIDBI has setup a dedicated Project Management Division (PMD) at New Delhi. The World Bank, Department for International Development (DFID), UK, KFW and GTZ, Germany are the major international partners in the project.

Dear Readers,

Welcome to Bhadohi Floor Covering Cluster's first Newsletter. A service designed to give you the updated achievements and future planning of Bhadohi Floor Covering cluster. I am extremely happy to share the wonderful moments with the industry through this inaugural edition of Newsletter.

The central idea of the project is to strengthen Business Development Services (BDS), to improve SME access to finance and to strengthen SMEs access to BDS. The main objective of the Bhadohi BDS Floor Covering Cluster project is to strengthen the Floor Covering sector technically in the areas of technology, marketing, quality, and finance through proper linkage with Business Development Service Providers. Floor Covering is one of the prominent sectors in Indian economy with employment of 2.5 million workers and contribution of US\$ 6 billion to the value of manufactured goods.

I would like to take this opportunity to express thanks to the stakeholders for their support and cooperation with their ideal thoughts during the diagnostic study, preparation of action plan and the implementation of the activities in recent past. Through your support, I hope the upliftment of this dynamic cluster and achieve sustainable growth in the cluster.

With Best Wishes

A.Mujeeb
Cluster Development Manager, Bhadohi

PROJECT OVERVIEW

Implementing BDS for MSME's is a project in Bhadohi BDS Floor Covering Cluster taken as an initiative under the umbrella project MSME Financing and Development Project, a joint venture of World Bank, DFID, KFW, GTZ and SIDBI.

OBJECTIVES

- To improve the competitiveness of the MSMEs.
- To improve the MSMEs access to market oriented financial and business development services.
- Foster MSME growth and employment creation

PROJECT PARTNERS

The World Bank, Department for International Development (DFID), UK, KFW and GTZ, Germany are the major international collaborators in the project. Banking Division, Department of Economic Affairs (DEA), Ministry of Finance; Government of India is the nodal agency for the same. SIDBI has been assigned with the responsibility of implementing the project (APITCO) has emerged as the preferred bidder for Pharmaceutical, Engineering and Floor Coverings subsectors after evaluation of its competencies by SIDBI-PMD in technical and commercial areas.

CLUSTER COORDINATION COMMITTEE MEETING

On 8th August, 2009, first Cluster Coordination Committee meeting was organized at Bhadohi. Agenda for the meeting was to present the findings of the Diagnostic Study and validation of Diagnostic Study Report (DSR). Mr. ASK Sharma, Project Manager, APITCO Limited welcomed all the participants and explained about the agenda of the meeting and expected role of the Cluster Coordination Committee, which was followed by self introduction of members and other officials. A power point presentation was given by Mr. Sharma highlighting the objectives of the project, present status of the cluster, project duration and implementation, role of BDS providers in the cluster, major issues and suggested solutions.

Mr. Ravi Patodia appreciated the efforts of APITCO Limited for presenting of such a comprehensive report within a short span of time. Mr. Charudatt Sharma explained to the committee about the importance of SMERA rating in obtaining credit facilities from the banks. Some suggestions came forward from Mr. Parvinder Pal to organize exposure visit to Tirupur Hosiery cluster for association members to understand best management practices and self governance mechanisms.

The members representing Mirzapur and Bhadohi DIC assured their full cooperation for the project. The committee also discussed about frequency of conducting CCC meetings and concluded that initially the meetings will be conducted on need basis and later on monthly basis. The meeting concluded with endorsing of survey findings and suggested activities by the CCC.

EVENT SNAPSHOT



As part of the project, a Cluster Coordination Committee (CCC) was constituted with the following members:

- Mr. Rajiv Kumar, AGM, SIDBI, Varanasi
- Mr. Rajkumar Singh, President, All India Carpet Exporters Association(AICEA), Mirzapur
- Mr. Ravi Patodia, President, All India Carpet Manufacturers Association(AICMA), Bhadohi
- Mr. Badruddin Ansari, President, All India Carpet Yarn, Spinners and Dealers Association, (AICYSDA), Bhadohi
- Dr.K.K Goswami, Director, Indian Institute of Carpet Technology (IICT), Bhadohi,
- Mr. V. K. Sinha, Assistant Director, Carpet Export Promotion Council, Bhadohi
- Mr. Mangala Singh, Assistant Director, DC-Handicrafts, Varanasi
- Mr. Umesh Singh, General Manager District Industries Centre, Granpur, Bhadohi
- Mr. K. D. Mishra, General Manager, District Industries Centre, Mirzapur
- Mr. Madan Ahamad Khan, President, Mirzapur Carpet Manufacturer Association
- Lead District Manager, Bhadohi
- Representative from BIDA
- Representative from MSME-DI, Varanasi
- Mr. Abdul Mujeeb, Cluster Manager, APITCO Limited, Floor Coverings Cluster

Workshop on Pollution Control

On 24th November, 2009, a workshop on Pollution Control was organized at Bhadohi to create awareness among the cluster firms and dye houses on pollution control norms. Around 50 participants attended the workshop, which included exporters, dye houses and students from IICT.

Mr. A. Balakrishnan, Environment Consultant from APITCO gave a power point presentation on his observations about the air and water pollution caused by the Bhadohi Floor Covering industry and explained about the measures to be undertaken to mitigate the pollution caused by the manufacturing firms and dye houses. The main outcome of the meeting was the pilot process auditing with the help of a suitable BDS provider like IICT to minimize the pollution levels through process standardization in the month of January. This is expected to have an effect on at least 50 Principal Firms of Bhadohi and Mirzapur areas to take up pilot process auditing.

BDS Clinic

On 10th December, 2009, a BDS clinic with participation of selected stakeholders of the cluster was organized at Bhadohi FCC Project Office, with the intent to create awareness on BDS providers and link them to cluster firms on need basis. Mr. Dipankar Jana, Subject Expert, APITCO Limited Floor Coverings Cluster (Bhadohi & Panipat) suggested the representatives of the dye houses to avail the services of the IICT in process standardization as many of the dye houses are facing higher rejection rates due to improper processes.

Mr. Rajesh Gupta informed about the services offered by the IICT in the areas of process standardization, consultancy services in chemical and mechanical finishing and various short term training courses offered. Mr. S. Ganguly, Chinmaya Kalaniketan (Designer Institute) briefed about the activities of his institute in the areas of design development, training of designers in CAD and other advanced designer courses. The representatives from dye houses and designers held detailed discussions with the concerned BDS providers and explained their requirements.

Awareness Programme on REACH certification

On 27th November, 2009, an awareness workshop on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) certification was organized at Bhadohi. The main objective of the workshop was to create awareness on REACH. Around 80 participants attended the workshop including exporters, dye houses and students from IICT. Mr. R.K.Malik, Asst. Professor gave power point presentation on REACH and detailed about the need for the certification. The programme was followed by Dr. Dileep Wakankar's power point presentation on REACH which explained the purpose of REACH, essentials of REACH, registration time lines, elements, certification bodies in India and effect of REACH on carpet Industry. The awareness campaign on REACH certification was a success and achieved its objective.

Cluster Snapshot

Spread of the Cluster (r)
50 km (Bhadohi, Mirzapur Districts)

Total Units (Nos.)
Manufacturing Export Firms (MAFs) : 20
Merchant Export Firms (MEFs) : 800
Tiny Manufacturing Firms (TMFs) : 1000
Weavers : 29000

Aggregate Employment (Nos.)
Direct : 55000
Indirect : 30000

Aggregate Investments (Rs.Crores) : 760
Estimated Production (Rs. Crores) : 1000
Estimated Turnover (Rs.Crores) : 1250

Product Mix

Knotted(60%), Shaggy(10%), Tufted(25%)
and Durries (5%)

Major Stakeholders

Merchant Export Firms
Manufacturing Export Firms
Tiny Manufacturing Firms
Weavers/ Job Workers
Government & support Institutions
Raw material suppliers, M/C suppliers,
Support Firms & Financial Institutions and bankers

Major BDS Providers

IICT, Designers, Dye Houses, Shipping Agents,
Transporters, CAs, Testing Labs, NIFT, Training &
Educational Institutions etc.

Issues identified during the diagnostic study are:

BDS Areas	Key issues
Raw Material	No direct linkage with woolen suppliers by majority of the firms Price fluctuations No collective purchase mechanism Non availability of raw material on time
Technology	Limited access to advanced technologies in weaving, chemical & mechanical finishing Limited knowledge about the technological advancements and processing techniques
Marketing	Poor financial linkages to Micro enterprises Exploitation by buying agents Limited e-commerce by small exporters Limited direct market linkages
HRD	Lack of awareness on legal/regulatory issues Lack of Training facilities for weavers Limited entrepreneurial capabilities
Quality	Lack of awareness on quality control in dyeing, weaving and finishing Limited awareness on quality certification
Finance	Inadequate/ lack of working capital finance High labour advance payments Lack of awareness on Government schemes like PMEGP, Scholarships for weaver families etc
Energy & Environment	Irregular power supply Poor utilization of generators leading to high fuel consumption High pollution levels in Dye Houses utilized by cluster firms Poor Ergonomics
ICT	Low computer literacy levels Lack of awareness on advanced design development software

Launch Workshop

On 10th October, 2009, a launch workshop was organized at Bhadohi. The main objective of organizing the programme was to share the diagnostic survey findings and proposed activities and take the consent of cluster stake holders besides launching of Bhadohi BDS website. The programme was inaugurated with a welcome address by Mr. A S K Sharma, who also informed the house about the major milestones achieved in the past six months.

The website viz. bhadohibds.com was officially launched amidst applause from all the participants. Mr. Rajiv Kumar, Mr. Parvinder pal and Mr. ASK Sharma requested all participants to make full use of the website and also informed about the

launching BDS directory and e-news letter within a month which was widely welcomed by the participants.

Mr. Rajiv Kumar, AGM, SIDBI, Varanasi briefed about the SIDBI Schemes related to cluster development and the role of various promotional agencies in the SIDBI-BDS project. He asked for the cooperation of all the stakeholders in making the project a successful one.

The major outcome of the workshop was the endorsement of the proposed activities in the action plan by the stake holders. The concepts of BDS was widely understood by the cluster firms and showed willingness to utilize the web portal, BDS directory and e-news letter for information dissemination and e-commerce.

Photo Gallery

