



About PanipatBDS.com

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

REGISTER AT
www.panipatbds.com



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

- Organising of CCC meetings to review the progress
- Collection of data on Floor coverings related BDS at national & international level
- Pilot process auditing of 20 firms
- Development of prototype designs, concepts and test marketing in selected cities
- One to one to interface with selected BDS Providers
- BDS clinic (bi-monthly) & Conducting one day sensitizing programme on pollution control
- Capacity building of association on establishment of office, appointment of secretarial staff with necessary infrastructure
- Identification and visit to benchmark association for panipat dyers
- Five day training programme on Best Management Practices for association staff
- Identification and piloting of suitable technology for yarn winding
- Interface with technology suppliers
- Training of 50 workers in collaboration with technology supplier & Handholding services of the trainer for one month after the completion of the programme
- Conducting a domestic market survey in selected cities like Bengaluru, Hyderabad, New Delhi, Mumbai etc by a Designer Institute
- ISO certification of the 5 firms on pilot basis, Propagation of benefits of quality certification to other cluster firms
- Organising visit to China

For more details visit www.panipatbds.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 Facilitating Agency for the development of BDS markets in the Panipat 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.

How to Reach CAPSULE?
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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.

News Bulletin

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



Dear Readers,

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

The central idea of the project is to strengthen Business Development Services, to improve SME access to finance and make SMEs access to BDS stronger. The Main objective of the Panipat 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 cluster stake holders 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

MBK Raju
(Cluster Development Manager), Panipat

CLUSTER VISION

"Implementing Business Development Services in Panipat Floor Coverings cluster" a project implemented by SIDBI under multi-activity flagship project on Financing and development of Micro Small and Medium Enterprises in India, partnered by the World Bank, Department for International Development (DFID), UK, KFW and GTZ, Germany.

OBJECTIVES

- Foster MSME growth, competitiveness and employment creation.
- Improve MSME access to finance (including term finance) and market oriented Business Development Services.

PROJECT PARTNERS

The World Bank, Department for International Development (DFID), UK, KFW and GTZ, Germany are the major international partners in the project. Banking Division, Department of Economic Affairs (DEA), Ministry of Finance; Government of India is the nodal agency for the same. Small Industries Development Bank of India (SIDBI) has been assigned with the responsibility of implementing the project. SIDBI has set up a dedicated Project Management Division (PMD) at New Delhi, to facilitate the implementation. Andhra Pradesh Industrial & Technical Consultancy Organization (APITCO) has emerged as the preferred bidder for Pharmaceutical, Engineering and Floor Coverings subsector after evaluation of its competencies by SIDBI-PMD in technical and commercial areas.

FIRST CLUSTER COORDINATION COMMITTEE MEETING

Panipat Floor Coverings' first Cluster Co-ordination Committee (CCC) Meeting was organized on 31st July, 2009 at Project Office, Panipat. The meeting welcoming started with the committee members and other officials in intent to the 'Validation of Diagnostic Study Report'. A power point presentation on Diagnostic Study Report made public by the core team members covering the following points such as, objective of the project, role of the cluster co-ordination committee, project duration and implementation, present status of the cluster and BDS providers in the cluster including the types of BDS available and the demand and supply side constraints. In a suggestion round, Mr. Ravisankar suggested that priority must be given to organise bankers meet with the stakeholders to create awareness among the bankers about the cluster specific needs and among stakeholders about the banking procedures. Mr.Boora informed the committee that banks can lend up to one crore rupees as collateral free loans to MSEs.

Mr.Yashpal Malik specified on pollution problems faced by the dye houses, including lack of sufficient water for processing besides relocation of the units. In this regard Mr.Parvinder Pal, Program Co-coordinator, Foundation for MSME Clusters, suggested to organize an exposure visit for association members to Coimbatore cluster, where similar problem was successfully mitigated by the association and SPVs under Industrial Infrastructure Upgradation (IIUS) scheme. He also suggested a visit to Tirupur cluster to know the best management practices and self-governance mechanisms, which was later fulfilled with the successful completion of the visit. Mr.Jitendra Malik and Mr.Anil Mittal explained the problems faced in obtaining registration from DIC with regard to transfer of agricultural land to industrial land.

The committee unanimously accepted Mr.Ravisankar, AGM, NABARD as one of the Cluster Coordination Committee members. The committee also discussed the frequency of the CCC meetings and concluded that initially the meetings will be held on need basis and subsequently on quarterly basis. Finally the committee endorsed the cluster development interventions and the action plan.

EVENT SNAPSHOT



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

- Mr. Manilal Chowdary, AGM, SIDBI
- Mr. Boora, Lead District Manager (LDM), Punjab National Bank
- Mr. Yashpal Mallik, President, Panipat Dyers Association
- Mr. Jitendra Mallik, President, Haryana Carpet Manufacturers Association (HCMA)
- Mr. Sunil Kumar, Assistant Director, MSME DI, Karnal
- Mr. Inder Singh, EO, District Industries Centre, Panipat
- Mr. MBK Raju, Cluster Manager, Panipat Floor Coverings
- Mr. Jigadish Prasad, AD, O/o DC-Handicrafts
- Mr. Ramnivas Gupta, President, Panipat Exporters Association
- Representative from IICT

Interaction Meet with Director, Indian Institute of Carpet Technology (IICT) for IICT Extension Centre

On 1st October, 2009 APITCO arranged an Interaction Meet with Director of Indian Institute of Carpet Technology (IICT) for "IICT Extension Centre at Panipat" in Gymkhana club, Sector-25, HUDA, Panipat. The main purpose of the programme was to sensitise cluster firms about policies and procedures for establishing an IICT extension centre at Panipat and to know about the advanced technologies in carpet manufacturing. Near about, 25 participants attended the interactive meet which included exporters, composite manufacturers, tufting firms, dye houses and latex supplier.

Mr.Jitendra Malik, President, Haryana Carpet Manufacturers Association (HCMA) highlighted the need of IICT extension centre in the cluster, the adverse effect of economic recession and consideration of Panipat as a special carpet zone. Mr.Anil Mittal, Secretary, HCMA, explained about the problems relating to low productivity i.e. non-availability of skilled manpower, migration of labour, total cost of advanced latexing automatic plant and advanced technologies / processes available in the tufting / finishing / binding process i.e. electrical tufting guns, scissors, etc.,

The participants requested the facilitating agency to organize awareness programme on Patenting & its procedures, Certifications [like REACH, ISO etc], equipment for odour identification, establishing in house testing laboratories with basic equipment, development of testing tools etc. Mr. MBK Raju thanked the Director, IICT and participants for making the programme successful and explained about the upcoming programmes. He also requested to stakeholders for similar cooperation in all the future activities.

Exposure visit to Tirupur Knit Wear Cluster

As part of the Panipat Floor Coverings Cluster's Annual Action Plan implementation for the year 2009-10, an exposure visit to Tirupur Knit wear cluster was organised on 16th and 17th of December 2009 for 10 Office bearers / members of BMOs (2 members from Panipat Exporters Association, 5 from Haryana Carpet Manufacturers Association and 3 from Panipat Dyers Association). The main purpose of the visit was to create awareness among the associations about the SPV formation and operations with regard to common facilities. The members of BMOs understood the formation and registration of SPV, operations of SPV and importance of BMOs in industry infrastructure development. The team also realised the efforts to be put in to develop the facilities and, dedication and commitment levels required in executing such developmental activities.

The team visited the Common Effluent Treatment Plant constructed and maintained by the Arulpuram Common Effluent Treatment Company Pvt. Ltd and met with Shri. A.V.S.Kumar and collected information on capacity of CETP, number of units using the services, process and technology, total project cost and means of finance, repayment of loan, usage charges (cost of treatment) etc., Shri. S.S.Moorthi, Sr.Tech.Advisor, Apex Cluster Development Services Pvt. Ltd., shared in detail the success of Tirupur Exporters in developing the Netaji Apparel Park, Trade Fair Complex and water pipe line project through the Cluster Development Projects implemented by UNIDO and SIDBI. He explained the importance of IPR, Brand Image, implementation of techniques like lean manufacturing, processing engineering etc. He also briefed about the "Project Vikas", an Information Technology project supported by Microsoft for making SMEs more competitive through ICT. Finally, Shri. Prem Sagar, President, Panipat Exporters Association invited Mr. Moorthi for a visit to Panipat to motivate the other exporters for establishing an Industrial Park at Panipat.

Meeting with General Manager (DIC), Panipat

With a Purpose, to know about the procedures for getting Part-II, renewal of association, Govt. schemes etc., a meeting was arranged on 30th November 2009 with General Manager, DIC, Panipat at District Industries Centre (DIC), Panipat. Shri Dhara, G.M., DIC, defined MSME and its guidelines, detailed about the documents required i.e., CLU, list of machinery, list of workers, proof of ownership etc., for getting benefits of Part-II (which is mandatory to avail any govt. schemes). Shri. Jitendra Malik, President, HCMA,

explained the problems in getting the CLU, addition of HCMA in the list of associations maintained by DIC for information dissemination (circulars, schemes etc.), enquired about the course of action initially to be taken by the association and requested the DIC to appoint one official to deal with association. Shri .G.M. Dhara responded to the request of Shri. Jitendra Malik. The members of HCMA came forward to collect the PART-II applications and submit it to DIC for further processing. The meeting was fruitful and created awareness among the firms about the Govt. Schemes and renewal of certifications of associations and partnership firms.

The issues identified during the diagnostic study are:

BDS Areas	Key Issues
Markets	No direct marketing by manufacturing firms and entirely depends on export manufacturers Limited market penetration into Middle East and Latin American Countries Poor emphasis on domestic market and its requirements Exploitation by buying agents
Technology	Using age old technologies in tufting, latexing and finishing No quality check or quality control in 70% of the firms. Non-availability of spares for imported machines. Entrepreneurs have limited knowledge about the technological advancements and processing techniques. Some of the locally fabricated machines are not standardized leading to low productivity Adoption of manual perforation methods
Raw Materials	Lack of direct linkage with woolen suppliers by majority of the firms No collective purchase mechanism
HRD	Scarcity of skilled workers No institute is conducting short term / long term courses / trainings for the entire value chain of carpet manufacturing
Quality	No Quality checks or quality control measures in latexing, tufting and finishing Lack of internationally accredited testing facility in the cluster
Finance	Inadequate/ lack of working capital finance High labour advance payments Lack of awareness on Government Schemes
Energy & Environment	Irregular power supply Utilisation of generators leading to high fuel consumption High pollution levels in dye houses
ICT	Low computer literacy levels Lack of awareness on advanced design development software
Associations	Poor cohesiveness among the association members Limited membership

Launch Workshop

On 19th September, 2009 a Launch Workshop on Panipat Floor Coverings Cluster BDS-Market Development Programme was organized at Hotel Skylark, G.T. Road, Panipat with a purpose to launch the cluster website. A total of 90 participants attended the workshop including exporters, composite manufacturers, tufting firms, representatives from banks, raw material suppliers, dye houses, other BDS providers like designers, trace makers etc., and other dignitaries. Mr. Manilal Chowdhary, AGM, SIDBI, gave a power point presentation on SIDBI and detailed about various schemes and credit facilities offered in different sectors. He also detailed about the norms and procedures required to avail collateral free lending under CGTSME and the importance of SMERA rating. Mr.Dev Kumar, PMD, SIDBI, explained the role of SIDBI and other promoting agencies in

the BDS-market development project, the objectives and expectations from the project and reasons for choosing Panipat cluster under this programme.

The cluster core team consisting of Mr.M.B.K.Raju, Cluster Manager, Panipat Floor Coverings and Mr.Dipankar Jana, Subject Expert along with Mr.ASK Sarma, Project Manager, Floor Coverings Cluster made a presentation on major findings of the Diagnostic Study Report and activities proposed for the year 2009-10. Web site created exclusively for Panipat floor covering cluster namely www.panipatbds.com was formally launched amidst applause from all the participants and dignitaries. Mr. ASK Sharma requested all participants to utilize the website for all their future endeavors.

Photo Gallery

