



## About RourkelaBDS.com

As part of the project 'Implementing Business Development Services in the Rourkela Engineering Cluster', a web portal [www.rourkelabds.com](http://www.rourkelabds.com) has been launched to provide a Common Platform for Service Providers and Enterprises in Rourkela Engineering Cluster. The Rourkela Engineering manufacturers, BDS providers, consultants and suppliers can register to avail services of the web portal. The sections on Events in Engineering Sector and Upcoming Events will provide latest information on the activities and events.

**REGISTER AT**  
[www.rourkelabds.com](http://www.rourkelabds.com)



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

- Organising of 2nd CCC meeting to review the progress
- Creation of BDS Directory
- Publication of 1st newsletter
- Follow up by technology expert
- Initiation of formation/ strengthening of consortium for common raw material procurement
- Introduction and interface with Technology BDSPs
- BDS clinic to follow up
- Organising workshop on PPP for common design, testing centre & training facilities.
- Formation of appropriate SPV
- SPV registration and DPR preparation initiation
- Exposure visit to Coimbatore & Tirupur for tier 2 & tier 3 firms
- Training of 40 trainers of NIT and independent institutions in collaboration with WRI, Trichy
- Linking up with MoRD/ OCL/ BMOs for upscaling 1000 skilled welders
- Piloting of ISO Certification in 20 firms
- Workshop on SMERA with tier1 & tier2 for becoming material vendors (3 Nos)
- Rating of 5 vendors on pilot basis
- Study on market opportunities for product diversification and value added products
- Interface with RSP, DIC and NSIC for tender registrations
- Study on Safety Stanadrrs and health hazards in cluster firms
- Piloting of safety audits to 10 tier firms
- Walk through energy audits in 5 foundry firms and 5 tier1 firms

**For more details visit [www.rourkelabds.com](http://www.rourkelabds.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 Rourkela Engineering cluster.

#### For Further Details, contact

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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?

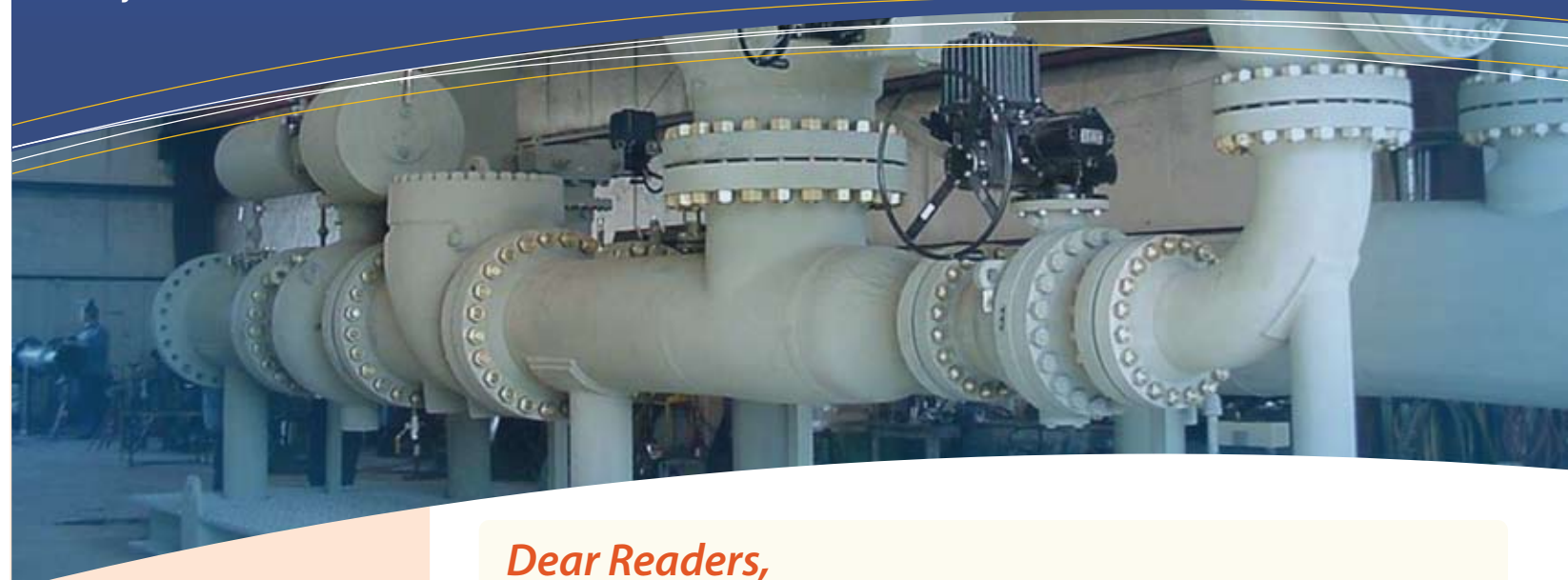
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## News Bulletin

Implementing Business Development Services (BDS)  
For MSMEs in Rourkela Engineering 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,

*A greeting to you all from Rourkela BDS. Rourkela BDS is the subsidiary of Andhra Pradesh Industrial Technical Consultancy Organisation. Hope this New Year 2010 brings plenty of peace and prosperity in all your ventures.*

*As you are all aware that Rourkela BDS is right earnestly playing its role as a champion in taking your business to the next stage of growth through various activities.*

*At the outset it aims at placing Rourkela on the global engineering arena as a potential outsourcing centre for excellence in engineering goods. This would set the impetus to grow high in this competitive field and stay in the front as a forerunner.*

*APITCO has been aiding clusters development all over India to facilitate promotion of products that are popular in their place of origin. All these were possible due to the logical planning and meticulous execution of the various strategies deciphered by the expert team of professionals. They had a clear vision and firm objectives to see through their venture successfully for the welfare of the different industries all over India.*

*With Best Wishes,*

*T. Mohan Raju*  
*Cluster Development Manager, Rourkela*

### CLUSTER OVERVIEW

Rourkela Engineering cluster will be promoted as the most preferred outsourcing destination globally by incorporating ethical practices in all business deals. Besides the impact of other support systems and policy initiatives evidences and experiences suggest that a well developed market for BDS can stimulate growth of MSMEs, increase its outreach and ensure sustainability. In context of promotion of market oriented BDS, SIDBI has identified 20 to 25 clusters in the country and Rourkela Engineering cluster is one such selected cluster. The central focus of this organization is to:

- Update latest technology to stay in the front.
- Adopt effective marketing strategies.
- Stream line production methods in all industries in order to get international recognition
- Follow global energy and environmental standards.
- Achieve cost effectiveness and prompt delivery of services in the year 2010.

### OBJECTIVES

- Create an enabling framework for financing of MSMEs by banks
- Helping banks for better access to long term finance for lending to MSME sector
- Mitigating banks risks related to SME lending and reducing transaction costs ; and
- Strengthening MSMEs access to market oriented BDS so that MSMEs improve their profitability and competitiveness.

### 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 sub-sector after evaluation of its competencies by SIDBI-PMD in technical and commercial areas.

**QUALITY AWARENESS WORKSHOP**

On 27th November 2009, Quality Awareness Workshop was conducted at Rourkela, nearly 45 participants actively participated and 5 units came forward for ISO Certification. Sri P.K. Nath, Dy.Gen.Manager, SIDBI, Rourkela invited as special guest for the programme and he inaugurated the programme. He addressed the participants to know their needs and support required from SIDBI. Sri P.C. Naik, Sr.Br.Manager, NSIC, Rourkela, shared the importance of quality aspects to be maintained in the cluster and briefed the participants to utilize the BDS Project. Sri R.K. Sinha, Special Officer, NIT, Rourkela stated that the future programmes will be held in collaboration with APITCO.

Sri P.K. Jena, Project Manager, DIC, Rourkela, informed that earlier similar kind of project was implemented by UNIDO and now APITCO has come with multi donor project for the benefit of Rourkela Engineering Cluster. He suggested the cluster firms to have unity to ensure development as a whole rather than as individual. Sri T.Mohan Raju, CM, APITCO briefed about the objectives of the programme as part of implementation of action plan, and shared about the formation of SPV. Sri S.K.Kar, Sr. Manager,(HOD), CTTC, Bhubaneswar and Sri A. B. Nayak, Manager (M&C), CTTC, Bhubaneswar guest speakers gave the presentations on importance of quality and ISO Certification. This was an effective workshop to create the quality awareness among the industry people.

**EVENT SNAPSHOT**



Sri SK Kar, Lead Auditor, CTTC, Bhubaneswar giving presentation to stakeholders regarding ISO Certification

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

- Sri PK Nath, DGM, SIDBI, Rourkela
- Sri PK Jena, Project Manager, District Industries Center,Rourkela
- Sri. RK .Sinha, Special Officer, NIT, Rourkela
- Sri SK Mishra, Principal, Govt. ITI, Rourkela
- Sri RK Giri, Dy. Director, MSME-DI,Rourkela
- Sri.Sarat Ch.Mishra, President, Technopark Selfhelp Coop Society,Rkl
- Sri Sanjay Rungta, President, OYEA,Rkl
- Sri ML Maharshi, President, OASME,Rkl
- Sri.Uday Patel, Founder Coordinator,CORE
- Sri.A.Puhan, Pvt.BDS Provider
- Sri Jeo John, Dy Manager, NSIC, Rourkela
- Sri.Mohan Raju, Member Secretary, Cluster Manager,APITCO

**FIRST CLUSTER COORDINATION COMMITTEE (CCC) MEETING**

The 1st CCC meeting was held at APITCO Ltd project office on 28th July'09. Mr. T Mohan Raju,Cluster Manager (CM) welcomed the participants and invited them to introduce to the members. Thereafter the findings of the diagnostic study and the proposed strategic interventions were presented to the participants by the CM.

Sri PRV Krishnan, Project Manager (PM) briefed about the details of BDS project and the role of Cluster Coordination Committee. He also highlighted about the issues related to lack of strategic service providers in the cluster which were expressed by stakeholders during the study.

Ms. Sangeeta Agasthy interacted with the participants and briefed about the project objectives. She expressed that the objectives could be achieved if the programme is owned by the cluster stakeholders and the CCC give their suggestions, and guide APITCO in effective implementation.

During the open house discussion steered by Mr.P.R.V.Krishnan, Mr. Sanjay Rungta, President of OYEA expressed concern about the government organizations (DIC, DI-MSME,NSIC) being members of CCC. He suggested that the Committee constitution should be from core stakeholders, Financial Institutions (FI), technical Institution (NIT)

and one nominee from mother plant. Mr. Krishnan explained that the DIC, DI-MSME, NSIC & FI members in the CCC would help facilitate speedy processing of proposals to avail various Govt. schemes and bankable proposals for the cluster.

Mr. Nath, DGM, SIDBI explained to the members that project aim is to facilitate in growth of engineering Industries of Rourkela through promotion of service provider and cleared the perception of the members who had the opinion that SIDBI is promoting its business development agenda through this programme. He also expressed that past developments of disbursement of loan under schemes for financing SMEs was misused by few entrepreneurs of Rourkela and the FIs are cautious in financing and that the confidence building measures through this programme by formulating cluster specific financial models will improve the credit flow in the clusters.

Mr. Uday Patel emphasized that the programme should focus on specific interventions for tier2 &3 units and less for tier1 units with an objective that tier2&3 graduate to tier1 by the end of this programme. Mr. Sinha, Special officer, NIT opined that the project action plan should include specific activities to promote new entrepreneurs. The meeting concluded with vote of thanks by Mr.J.Goudo, Network Expert

**Interfaces meet with MFI's and Tier-3 stakeholders**

'Interfaces meet with Micro Financial Institutions (MFIs) and Tier-3 stakeholders' was organized on 4th December 2009 at Rourkela. First, APITCO Core team briefed about the project to Micro finance institutions and objective of the meeting to stakeholders. Mr. Sudama Patra of Asmitha Micro Fin Limited briefed about their organization and gave some details in regard to financing the units. Mr. Bimal Lakra, Executive HRD, SAMBANDH, briefed about the organization. He asserted for providing assistance basically to micro units. Participants were satisfied with the meeting and proactively interacted with MFI's.



Mr.T.Mohan Raju (CM) discussing with the participants of MEs to know their financial needs

**The issues identified during the diagnostic study are :**

BDS Area	Key Issues
Skill development	Shortage of skilled manpower
Finance	Absence of financial linkages to tier3 units
	Absence of credit for automation of machinery and use of ERP packages
	Absence of bookkeeping and accounting practices by tier3 units
Market Access	Tier 3 units do not receive work from RSP and other direct orders due to being not registered under EM- part2 and absence of VAT registration.
	Absence of information about new projects in other geographical area
Safety and Occupational Health	Frequent accidents and absenteeism
ICT	Low use of ICT tools by tier3 units
	Piling of inventory and bill follow up due to poor tracking systems
BMOs	Role confined to advocacy and readdressal of grievances

**Launch Workshop**

Launch Workshop was conducted on 22nd September 2009 at Rourkela Chamber of Commerce and Industry. More than 55 participants attended the work shop and had a good interaction with the stake holders. The Chief Guest Sri Prof. Sunil Kumar Sarangi, Director NIT Rourkela emphasized on the need of sharing the practical experiences of entrepreneur to the technical institution so that technical personnel graduating from these institutes are equipped as per the industry requirements. He pointed out that our local industries should expand in new market area instead of depending on Rourkela Steel Plant (RSP). Sri PK Nath, DGM, SIDBI, Rourkela explained about various ways of obtaining loans from SIDBI. He opined that as per the recent gazette notification MSMEs registration of DIC is not mandatory which will give easy access to beneficiaries. He also informed that SIDBI is sanctioning fresh loans upto one crore for new units, diversification/expansion of the units under various loaning patterns. SIDBI has provided a method where the risk of purchaser and seller is minimized by introducing loan

system between them. The other noted dignitaries were Sri M R Nayak , Director, IIPM, Khansabal, Rourkela,Sri Binod Sharma, Ex-President RCCI, Rourkela,Sri SK Kar Sr.Manager, CTTC, Bhubaneswar Sri Rana Sen Gupta, Mechweld Services, Kolkata,Ms. Sangeeta Agasty, M & E Specialist, MSME Foundation, Kolkata.



Dr.Mihir Ranjan Nayak, Deputy Director, IIPM addressing to stakeholders of REC

**Photo Gallery**

