

Preparing MSMEs for EU Waste Shipment Regulation Compliance in Panipat



With the implementation of the EU Waste Shipment Regulation (WSR), MSMEs have a critical opportunity to regularise operations, strengthen traceability, adopt safer recycling practices, and remain eligible for EU trade. Timely awareness is essential to protect jobs, sustain exports, and preserve Panipat's position as India's textile recycling capital.

To support enterprises in understanding these regulatory shifts, a focused workshop on the EU Waste Shipment Regulation was organised in Panipat under the EU SWITCH-Asia Green Threads project.

The session offered practical clarity on key WSR provisions, documentation requirements, and pathways to align recycling practices with international sustainability standards—helping MSMEs move toward long-term compliance and a more resilient textile ecosystem.

MESSAGE FROM THE EXECUTIVE DIRECTOR



As we begin a new year, MSMEs across India are standing at an important crossroads. Shifting market expectations, evolving sustainability regulations, and growing resource pressures are redefining how clusters operate and compete. At the same time, these changes are opening new pathways—for innovation, resilience, and more inclusive growth.

At the Foundation for MSME Clusters (FMC), the year ahead will focus on supporting enterprises through this transition—by grounding sustainability in practical solutions, strengthening cluster-level capabilities, and deepening partnerships that enable MSMEs to remain competitive in a rapidly changing environment. This edition of our newsletter highlights some of the initiatives, learnings, and collaborations shaping this journey as we move forward together.

- Mukesh Gulati

Enhancing Cyber Resilience of 35,000+ MSMEs Amid Growing Digital Risks



Most MSMEs operate with limited technical awareness and weak security systems, leaving them highly vulnerable to phishing attacks, fraudulent links, data theft, ransomware, and online payment scams. Recognising this growing risk, the (FMC), under the APAC Cybersecurity Fund, in collaboration with The Asia Foundation and support from Google.org, strengthened the cyber resilience of over 35,000 MSMEs.

The initiative successfully met its targets in Chhattisgarh and Maharashtra equipping enterprises with practical knowledge and tools to protect their operations and finances from digital fraud, and to operate more securely in an increasingly digital business environment.

Mahindra Finance-Supported Dhan Samvaad 2.0 Enables Digital and Financial Inclusion for 25,000+ MSMEs

In today's rapidly evolving business environment, MSMEs are increasingly reliant on technology-driven processes. However, limited digital awareness continues to exclude many micro and small enterprises from formal banking systems and government support schemes.

Through Mahindra Finance's Dhan Samvaad 2.0, the Foundation for MSME Clusters (FMC) strengthened financial and digital inclusion by training over 25,000 micro and nano entrepreneurs. The initiative also facilitated 18,000+ DigiLocker registrations and adoption of government schemes across Haryana, Uttar Pradesh, and Delhi, helping enterprises formalise operations and access essential financial and welfare benefits.



Cisco CSR-Supported Digital Upskilling Drives ₹17 Lakh in Sales for Women Artisans Across Five States



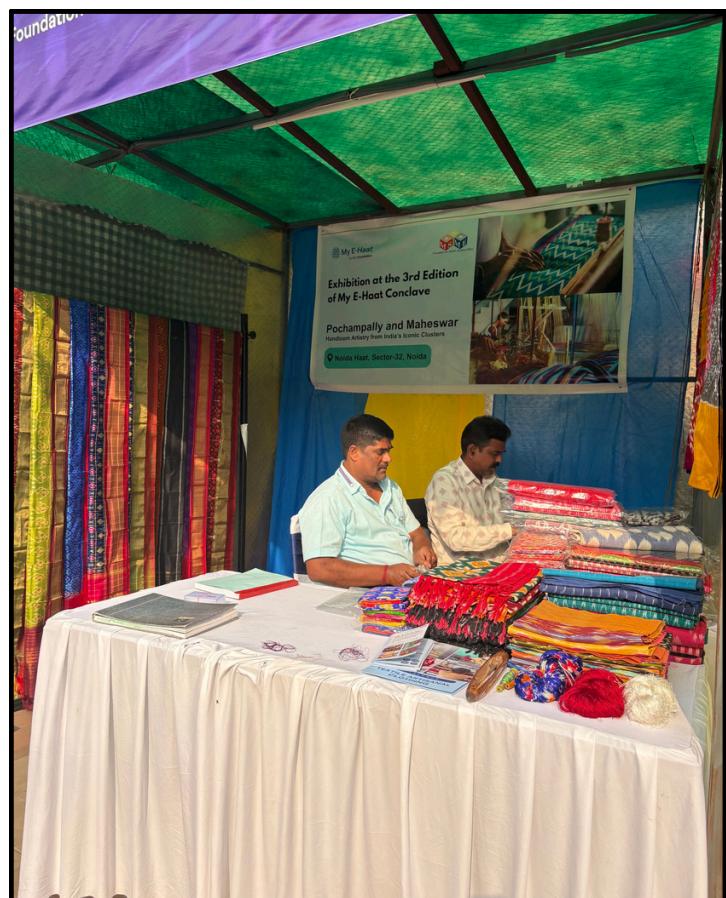
Under the CSR initiative, the (FMC) is advancing the digital empowerment of women artisans to strengthen livelihoods and market access across Madhya Pradesh, Uttar Pradesh, West Bengal, Odisha, and Assam.

So far, the initiative has generated ₹17 lakh in sales, trained over 250 women artisans in social media marketing and mobile photography, and enabled more than 4,000 artisans to begin skill-based training such as drawing, graph, and dyeing. By combining digital skills with traditional craft, the programme is helping women artisans connect with wider markets and build more sustainable, income-generating enterprises.

Revitalising Handloom Clusters Through Market Access and Heritage-Based Enterprise

The Government of India has consistently encouraged citizens to buy and promote locally made handloom and khadi products to strengthen artisan communities, rural livelihoods, and sustainable fashion. Yet many artisans continue to face persistent challenges, including market saturation, limited formal education, and weak market linkages.

To bridge these gaps, FMC, with the support from the HCL Foundation, is revitalizing handloom clusters across regions. As part of this effort, BMOs from Kotpad, Maheshwar, and Pochampally participated in national and regional level exhibitions, generating market orders worth over ₹3 lakh through a combination of offline and online channels. The initiative supports fair incomes, cultural preservation, and sustainable livelihoods by strengthening heritage-based enterprise development.



Driving Energy Efficiency in MSMEs: YES Foundation-Supported Energy Audits Across Industrial Clusters



In India, the MSME sector plays a critical role in the economy, contributing approximately 45 percent of manufacturing output and 40 percent of total exports. The sector also accounts for nearly 25 percent of total energy consumption within the industrial sector, making energy efficiency a key lever for achieving India's net-zero target by 2070.

Recognising this, Foundation for MSME Clusters (FMC), under the above initiative, conducted 18 walk-through energy audits across MSMEs in Jaipur, Panipat, Ludhiana, and Kapurthala. These audits enabled enterprises to identify practical opportunities to reduce energy consumption, lower operating costs, and adopt more sustainable industrial practices.

Unlocking Digital Market Access for Upcycled Textile Artisans in Bhojpur and Faridabad



Artisans from the Bhojpur and Faridabad textile clusters are redefining sustainability by creating handcrafted bedsheets from upcycled post-consumer clothing waste. In Bhojpur, nearly 95% of products are made using recycled sweater yarn. Despite their skills, many artisans face challenges such as low and unstable incomes, limited visibility, and restricted market access. To address this, FMC, with support from Friedrich Naumann Foundation (FNF), conducted a focused capacity-building session for BMO leaders and artisans, introducing e-commerce opportunities and digital tools to expand market reach and promote sustainable livelihoods.

Young Entrepreneurs Society conducts EU Green Deal Awareness Workshop for MSMEs in Panipat; FMC Participates



EU Green Deal policies are critically important for MSMEs in Panipat, as Europe remains their primary export market. To build awareness on these evolving requirements, Young Entrepreneur Society (YES) conducted a dedicated workshop for MSMEs in Panipat, focusing on the EU Green Deal and its implications for India's textile and recycling sector. Young Entrepreneur Society emphasized key regulatory developments, including the Ecodesign for Sustainable Products Regulation (ESPR), and upcoming compliance expectations for exporters. Representatives from the Foundation for MSME Clusters (FMC), including Mukesh Gulati, Executive Director, and Abhishek Naga, Deputy General Manager, attended the workshop, reflecting FMC's continued engagement with cluster stakeholders and its commitment to supporting MSMEs in navigating global sustainability and compliance frameworks.

Engaging Youth with Circular Economy Practices: Student Exposure Visit to Panipat's Textile Recycling Cluster



Raising awareness among youth about Panipat's textile recycling cluster is vital for its sustainable future. As the implementing partner of the EU-funded Green Threads programme under SWITCH-Asia, FMC organised a Student Exposure Visit for Rotaract Club of USME members to Sonia International, a leading recycling unit in Panipat. Students observed the complete recycling value chain—from sorting textile waste to producing recycled fibre—gaining practical insights into circular economy practices. The visit bridged classroom learning with real-world sustainability, inspiring youth to pursue innovation, climate action, and green livelihood opportunities.

9th Responsible BMO Awards

DRIVING CHANGE WITH GREEN FINANCE

FMC cordially invites all its valued stakeholders to the 9th BMO Awards. This year's theme, "Green Financing," aligns with India's climate commitments and the Sustainable Development Goals. The event will be held on 26th February at The Ashoka Hotel.

For more information contact us at:

✉ BMOawards@msmefoundation.org

Visit our website:

🌐 www.BMOAwards.org.in



Important LinkedIn Update

Due to a technical issue, FMC has moved to a new LinkedIn page. We invite all our valued stakeholders to follow our new page for regular updates on projects, impact stories, and upcoming events. Stay connected with us.



POLICY UPDATE

Schemes to bolster the Micro, Small, and Medium Enterprises (MSME) sector

- **Mandatory Green Disclosure for Export-Oriented MSMEs:** The Ministry of Commerce and DGFT has introduced mandatory green disclosure norms for export-oriented MSMEs, requiring them to declare basic environmental compliance indicators while updating their Import Export Code (IEC).
- **Expansion of Credit Guarantee Scheme for Green MSMEs:** The Ministry of MSME and SIDBI have expanded the Credit Guarantee Scheme (CGTMSE) to include green transition investments, supporting MSMEs in adopting sustainable and clean technologies.
- **MSME Cyber Protection Framework 2025:** The Ministry of Electronics and Information Technology (MeitY), in collaboration with the Ministry of MSME, has launched the MSME Cyber Protection Framework 2025 to strengthen digital security following the rise in cyber fraud cases among MSMEs.

ABOUT US

The Foundation for MSME Clusters (FMC) is a non-government, not-for-profit trust dedicated to promoting and developing Micro, Small, and Medium Enterprises (MSMEs) through clusters and value chains. FMC provides cutting-edge policy and research support, comprehensive training, and capacity-building programs. It leads initiatives to generate employment, alleviate poverty, and promote a green economy. FMC supports cluster-specific infrastructure, market linkages, and management support, fostering MSME growth and development. With 35 scholarly publications, FMC is a leading authority on MSME cluster development.

GET INVOLVED



Volunteer

Contribute your expertise to our ongoing projects and make a tangible impact on MSME development.



Info@msmefoundation.org

Opportunities:



Corporate

Collaborate with us to foster the growth and development of MSMEs across India. Your support can make a significant difference.



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Partnerships:

CONTACT US

