



Foundation for MSME Clusters (FMC)

# PROJECT UPDATES

March - April 2026

## MESSAGE FROM THE EXECUTIVE DIRECTOR



This edition reflects a clear and confident shift - from intent to impact. Across our work, sustainability, inclusion, and enterprise growth are no longer separate priorities; they are being advanced together in practical, measurable ways. From hosting a carbon-neutral flagship event to enabling MSMEs with access to green finance, digital tools, and new markets, the focus remains on building businesses that are both resilient and future-ready.

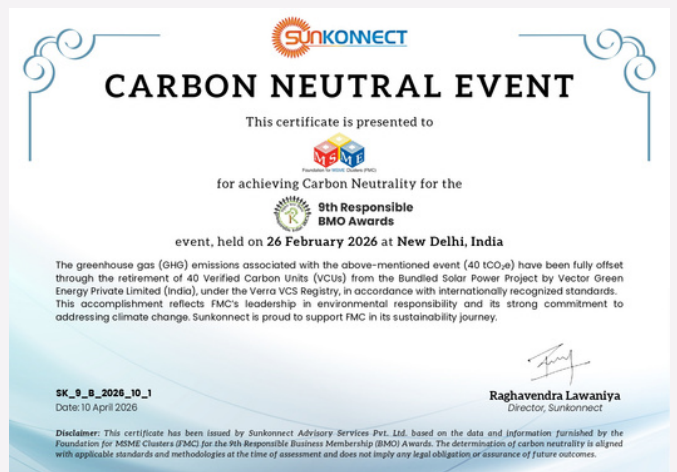
What is particularly encouraging is the scale of change, thousands of enterprises reached, tangible reductions in carbon emissions, and stronger market linkages created. At the same time, we are preparing MSMEs to respond to emerging global standards, ensuring they remain competitive in an evolving landscape. These efforts reaffirm a simple belief: responsible growth is not just necessary but it is achievable, scalable, and central to building a stronger, more sustainable economy.

- Mukesh Gulati

## 40 t CO<sub>2</sub>e Neutralised: FMC's 9th Responsible BMO Awards Sets Benchmark as a Fully Carbon Neutral Event

When FMC hosted its 9th Responsible BMO Awards in New Delhi, the evening carried more than applause and accolades — it carried a promise to the planet. Every single tonne of carbon the event generated was fully accounted for and offset, making it a verified Carbon Neutral event.

The event's total carbon footprint came to 40 tCO<sub>2</sub>e. Working with Carbon Neutral partner Sunconnect, FMC offset this entirely through 40 Verified Carbon Units sourced from a certified Solar Power Project by Vector Green Energy — registered under the globally recognised Verra VCS Registry.



This is not a one-time gesture. It signals a deeper shift in how FMC thinks about responsibility — not just who it recognises at its awards, but how it shows up for the world while doing so.



**40**  
tonnes CO<sub>2</sub>e  
offset

**40**  
verified carbon  
units

**9th**  
Responsible BMO  
Awards

## 150+ MSMEs Mobilised: Green Financing Workshop in Panipat Prepares Industry for EU Sustainability Shift



A high impact Green Financing Workshop under the EU SWITCH-Asia “Green Threads” Project was successfully held in Panipat on 15 April 2026, for the members of the Young Entrepreneurs Society (YES), engaging over 150 MSMEs and exporters from the textile and home furnishing sector. Organised along with Directorate of MSME, Haryana and SIDBI, the session focused on enabling MSMEs to access green financing, understand policy support, and prepare for evolving EU sustainability regulations. Key discussions covered SIDBI’s green finance products, the BEE ADEETIE Scheme, and various incentives under Haryana’s industrial policies, alongside the launch of Sustainable Production Manuals for the Panipat Textile Recycling Cluster and a Digital Product Passport (DPP) pilot with Green Story. The workshop also highlighted upcoming EU regulations such as ESPR, EPR, and WSR, emphasizing the growing importance of traceability, circularity, and compliance. The event saw participation from key institutional stakeholders and industry leaders, reflecting strong momentum and commitment towards building a sustainable and globally competitive MSME ecosystem in Panipat.

## 42,500+ Nano & Micro Enterprises Impacted through Mahindra Finance’s Dhan Samvaad initiative

For millions of nano and micro enterprises across India, the gap between informal survival and formal growth has always felt wide. Mahindra Finance's Dhan Samvaad initiative spent its tenure narrowing that gap — and has now concluded with a National Dissemination Workshop in Delhi, alongside state-level workshops in Lucknow and Haryana. The programme addressed critical barriers in financial literacy and digital adoption among informal businesses — delivering structured training, continuous handholding, and connecting enterprises to government schemes and formal finance. The results speak clearly: over 42,500 enterprises trained, 34,000 DigiLocker accounts opened, and 31,875 linkages made to government and social security schemes.

The dissemination events brought together key stakeholders to share learnings, success stories, and on-ground impact — reinforcing that awareness, accessibility, and ecosystem collaboration are the real engines of resilient enterprise growth.



**42,500**

enterprises trained in Digital and Financial Literacy

**34,000**

DigiLocker accounts opened

**31,875**

linkages made to government and social security schemes

## Advancing Cyber Resilience for 7500 MSMEs under the TAF-APAC Cyber Security Program



Most MSMEs operate with limited technical awareness and weak security systems, making them vulnerable to cyber threats such as phishing, data theft, ransomware, and online payment scams. To address this, FMC - under the APAC Cyber Security Program in partnership with The Asia Foundation and supported by Google.org has been strengthening the cyber resilience of MSMEs across 10 states of India through focused training programs.

During March-April, over 7,500 MSMEs were trained in cybersecurity across the country, and 30 Business Membership Organizations were capacitated. Haryana recorded the highest outreach, with over 2,000 MSMEs trained during this period. Notably, women accounted for 55% of the participants, reflecting strong and growing engagement of women entrepreneurs in cybersecurity awareness.

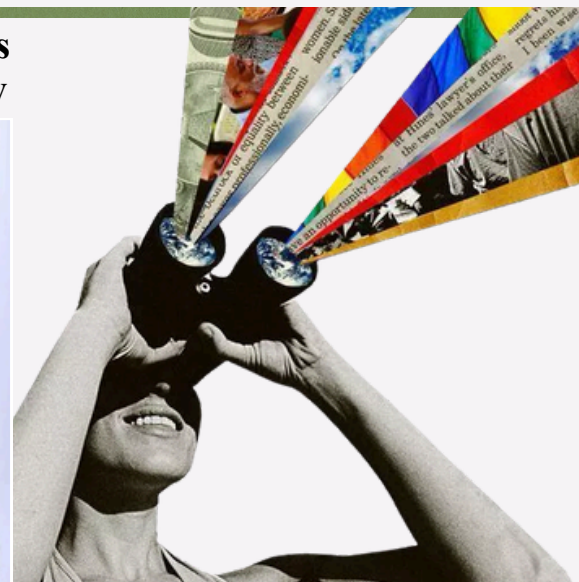
## 66 Stakeholders Unite: HSBC-FMC Project Charts Pathway for ₹6.47 Cr Savings & Projected Reduction of 5,655 Tonnes CO<sub>2</sub>

The Decarbonisation initiative led by Foundation for MSME Clusters, supported by HSBC and implemented with Centre for Responsible Business, concluded with a policy roundtable at India International Centre on March 19, 2026. Organised with Centre for Environment Education and InTex India, the session brought together 66 stakeholders.

The project, "Demonstrating Decarbonisation Pathways through Pilots in Textile SMEs," enabled MSMEs to transition towards low-carbon operations, projecting annual CO<sub>2</sub> reduction of 5,655.60 tonnes, unlocking ₹6.47 crore in cost savings, and developing ₹39.94 crore in bankable green finance proposals. Anchored in Panipat, the initiative demonstrated scalable, business-friendly pathways, proving that sustainability can drive both competitiveness and growth. The session concluded with a consensus to shift towards actionable, scalable decarbonisation solutions.



## HDB Financial Services Initiative Strengthens India's Small Retail MSMEs with Financial Literacy



Nearly 70% of India's retail and service MSMEs remain outside formal support, despite contributing ~30% to GDP. Addressing this, the Foundation for MSME Clusters, under the Aarthik Arogyam Kendra initiative by HDB Financial Services, partnered with MSME-DFO, DIC, National SC/ST Hub, and local associations to deliver targeted capacity-building sessions. Through engagements in Delhi and Agra, the initiative reached around 200 small retailers and service MSMEs. Sessions covered MSME schemes, PM Vishwakarma, GST, financial and digital literacy, intellectual property rights, and market skills like pricing and trend analysis. These areas are critical for retail MSMEs, which often operate informally with limited awareness of compliance and financing. Building this knowledge improves access to credit while strengthening competitiveness, resilience, and sustainable growth.

## Weaving Market Access: HCL foundation Enables ₹3 Million Linkages for 200 Handloom Artisans

The project "Strengthening Market-Led Value Chains of Four Textile Artisanal Clusters and Connecting Them with My E-Haat" by HCL Foundation has successfully concluded, addressing critical gaps faced by India's handloom sector—where a majority of artisans remain confined to low-value, irregular local markets with limited digital and market access. Covering four renowned clusters—Pochampally Ikat (Telangana), Maheshwar (Madhya Pradesh), Kotpad (Odisha), and Upper Assam handlooms—the initiative focused on enabling market-oriented production, strengthening cluster-level institutions, and improving artisan incomes.

Key interventions included design development workshops, creation of market-ready samples, digital onboarding of BMOs onto platforms like My E-Haat and ONDC, and development of e-catalogues supported by professional product shoots. A blended capacity-building approach, combining trainings, virtual sessions, and continuous handholding—ensured sustained adoption and impact. As a result, the project enabled ₹3 million in market linkages, developed 50 new designs and 200 product samples, onboarded four BMOs onto e-commerce platforms, and supported 200 artisans with social security access. The initiative has strengthened value chains, improved price realization, and built a more resilient, digitally enabled, and market-responsive handloom ecosystem.



<b>₹3M</b> market linkages enabled	<b>50</b> new designs developed
<b>200</b> product samples created	<b>200</b> artisans supported with social security

## From Bamboo to Business: HDFC Parivartan Project Transforms 775 Livelihoods and Leaves a Green Legacy



As the “Resilient Futures: Advancing Carbon Reduction with Livelihood Growth for Women & MSMEs” project ends its first year of implementation, it is undergoing a powerful story of transformation. Supported by HDFC Bank under Parivartan and implemented by Foundation for MSME Clusters, the initiative reached 575 beneficiaries across Assam and Meghalaya, and 200 in Odisha.

From bamboo artisans creating contemporary products to women-led millet enterprises gaining market access, the project unlocked ₹1 crore in sales and ₹1.15 crore in credit. Scientific cultivation practices further strengthened sustainability. More than numbers, it built confidence, incomes, and a pathway where livelihoods and climate action grow together.

**775**

beneficiaries  
reached

**₹1Cr**

Sales

**₹1.15Cr**

Credit

## EU Delegation Visits Panipat: Recycling Textile Hub Showcased as Global Model for Circular Economy

Panipat continues to gain global recognition as a leading centre for textile recycling and circular economy practices. Recently, FMC hosted a European Union delegation as well as an international researcher in Panipat, highlighting growing interest in its recycling ecosystem.

On March 25, an EU delegation led by Geertreui Lauwaga, Team Leader at EUD to Nepal, visited Panipat under the EU Green Threads project, accompanied by the Foundation for MSME Clusters (FMC). The delegation reviewed the preparedness of local units for EU Green Deal compliance and, in discussions with the Haryana Chamber of Commerce and Industries, noted strong industry engagement. Recognising Panipat’s recycling of 8–10 lakh metric tonnes of textile waste annually, they termed it a leading example of circular economy.

In parallel, Ms. Rachel Alexander from Copenhagen Business School visited the city to study textile recycling processes. During her visit, she examined how imported textile waste is sorted, processed, and converted into yarn and blankets, while engaging with industry stakeholders on technologies and challenges.

These visits reinforce Panipat’s emergence as a globally relevant, sustainable textile cluster.



## Accelerating Climate-Aligned Investments in MSMEs: Progress Under the Green Indian Financial Systems (GIFS) Initiative



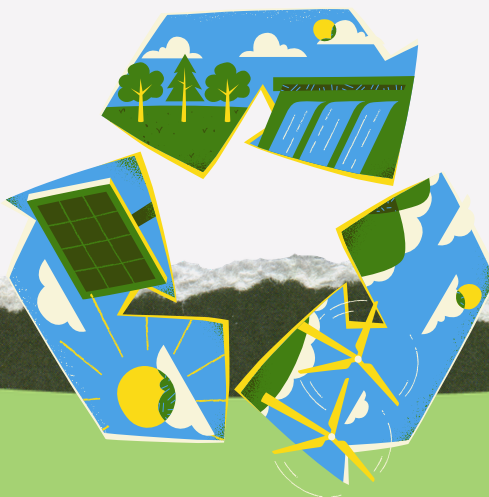
The Green Indian Financial Systems (GIFS) Initiative, led by Agence Française de Développement (AFD), European Union (EU), Small Industries Development Bank of India (SIDBI), and Shakti Sustainable Energy Foundation (SSEF), with implementation support from the Climate Policy Initiative (CPI), AuctusESG, and Foundation for MSME Clusters (FMC), is working to unlock green finance for India's MSMEs. Recognising climate risk as a financial risk, the initiative focuses on strengthening financial institutions, building MSME capacity through cluster-level interventions, and advancing women's leadership in climate finance.

FMC has signed Memorandums of Understanding (MoUs) with industry associations in Ludhiana and Peenya. These MoUs are important because they create a clear and structured way for different stakeholders to work together. Many MSMEs want to adopt energy-efficient and low-carbon solutions, but they often lack awareness, technical knowledge, or access to finance. Through these partnerships, FMC and the associations can jointly address these gaps in a coordinated manner.

Under this collaboration, FMC will conduct training and capacity-building programs, help MSMEs connect with banks and financial institutions, and support them in preparing bankable project proposals. The initiative will also improve how climate finance is tracked and reported in the MSME sector.

In addition, a Focused Group Discussion (FGD) was held with leading financial institutions such as SIDBI, SBI, HDFC, HSBC, Axis Bank, Central Bank of India, and South Indian Bank. The discussion highlighted a key gap—the lack of standardised methods to define and report green finance across institutions. Stakeholders emphasised the need for clearer guidelines, better systems, and capacity building across the sector.

The discussions also highlighted good practices by institutions like SIDBI, which has already started integrating green tracking and emission estimation into its processes. Overall, the dialogue confirmed the importance of the proposed framework and pointed towards a clear way forward—greater standardisation, improved systems, and stronger coordination across institutions to scale up climate finance in India.



---

## POLICY UPDATE

---

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

- The Government continues strengthening the Udyam Registration system by integrating GST and Income Tax data to automatically verify turnover and investment. This improves transparency, reduces paperwork, and helps MSMEs access schemes, subsidies, and formal credit more easily.
- Central government ministries and CPSEs must continue to procure at least 25% of their purchases from MSMEs, with sub-targets for women entrepreneurs and SC/ST-owned enterprises. This policy ensures steady market access and promotes inclusive growth within the MSME ecosystem.
- The government has expanded the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to improve collateral-free loans. Higher guarantee coverage and increased corpus aim to help MSMEs access affordable credit and encourage banks to lend more confidently to small businesses.

---

## 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

### Opportunities:

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



Info@msmefoundation.org



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



Megha@msmefoundation.org

---

## CONTACT US

