

Annual Report

Foundation for MSME Clusters

2025

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ABOUT US

Foundation for MSME Clusters (FMC): Established in 2005, FMC is a not-for-profit public charitable trust that pioneers sustainable development through a cluster-based approach.

Operating in 300+ MSME clusters, FMC has supported over 1,00,000 enterprises—from household artisans to medium-sized industries—enhancing livelihoods and enabling cleaner growth across India.

VISION

FMC's initiatives are guided by our Vision for "An economically progressive, socially connected, environmentally sustainable world that is spiritually rooted and composed of interconnected yet diverse local socio-economic systems.

MISSION

Our Mission is to "Assist institutions undertake effective and inclusive cluster-based local area development in developing and transition economies.

LETTER FROM THE CHAIRMAN



AJAY SHANKAR
Chairman

The Union Budget 2025–26 places MSMEs at the heart of India's growth, with revised classification norms and enhanced credit access reinforcing their role in driving exports and employment. FMC remains aligned with this vision, advancing sustainable development through cluster-based strategies, digital integration, and environmental stewardship. Our strategic focus this year rests on skilling, bridging the digital divide, and improving market linkages—especially for micro and household enterprises. We've continued to shape national programs like the Ministry of MSME's SFURTI Scheme and the National Rural Livelihood Mission (NRLM), while partnerships with National Hydroelectric Power Corporation Limited (NHPC), Jharkhand State Livelihood Mission (JSLPS), and Mahindra Finance have deepened our grassroots impact.

Through initiatives like Dhan Samvaad and a cybersecurity program with The Asia Foundation supported by Google.org, over 25,000 nano-enterprises have received digital and financial empowerment, and 3,000 MSMEs have received cybersecurity training. In 2025, our reach expands to over 67,000 MSMEs and 90 Business Membership Organizations (BMOs).

With Small Industries Development Bank of India and Friedrich Naumann Foundation for Freedom (FNF), we are fostering green finance and MSME readiness for e-commerce and tech. Our EU-supported Green Threads initiative is establishing low-carbon textile value chains across Panipat, Bhojpur, and Amroha—reaching 14,800 MSMEs and 2,50,000 workers. Alongside Danish International Development Agency (DANIDA) and Hongkong and Shanghai Banking Corporation Limited (HSBC), FMC continues to build scalable models that blend sustainability with enterprise competitiveness.

In FY 2024–25, FMC achieved a turnover of ₹10.33 Cr, impacting over 100 MSME clusters across 22 states of India. On behalf of the Board of Trustees, I extend heartfelt thanks to our partners and salute the dedication of the FMC team and the MSMEs who walk with us in this journey toward a more inclusive, resilient, and sustainable India.

25,000
Nano enterprises trained in digital literacy

3,000
MSMEs trained in Cyber Security

14,800
MSMEs will be engaged through Green Threads initiative

GOVERNANCE



FMC is steered by an eminent Board of Trustees at the apex level, Chaired by Mr. Ajay Shankar, Former Secretary at the Department of Industrial Policy and Promotion (DIPP), Government of India. The Board comprises other eminent persons and institutional representatives from all walks of life. The main role of the Board is to lay down the primary aims and objectives of FMC and ensure its overall governance in conformity with the Vision and Mission .



Dr. Sunil Shukla
Trustee
Director General at Entrepreneurship Development Institute of India (EDII)



Dr. Santosh K Mehrotra
Trustee
Former Director-General at IAMR, Planning Commission, Government of India and Former Professor, JNU



Dr. Harsh Kumar Bhanwala
Trustee
Former Chairman at National Bank for Agriculture and Rural Development (NABARD), Chairman at MCX, Independent Director at HDFC Bank



Shri. Ajay Kumar Kapur
Trustee
Former Deputy Managing Director at Small Industries Development Bank of India (SIDBI); Independent Director at NABFINS LTD., Sa-DHAN, and Utkarsh Small Finance Bank Ltd.



Dr. Veena Joshi
Trustee
Energy and Development Professional (Rtd. From Swiss Agency for Development & Cooperation)



Ms. Meera Shenoy
Trustee
Founder and Chairperson of Youth4Jobs



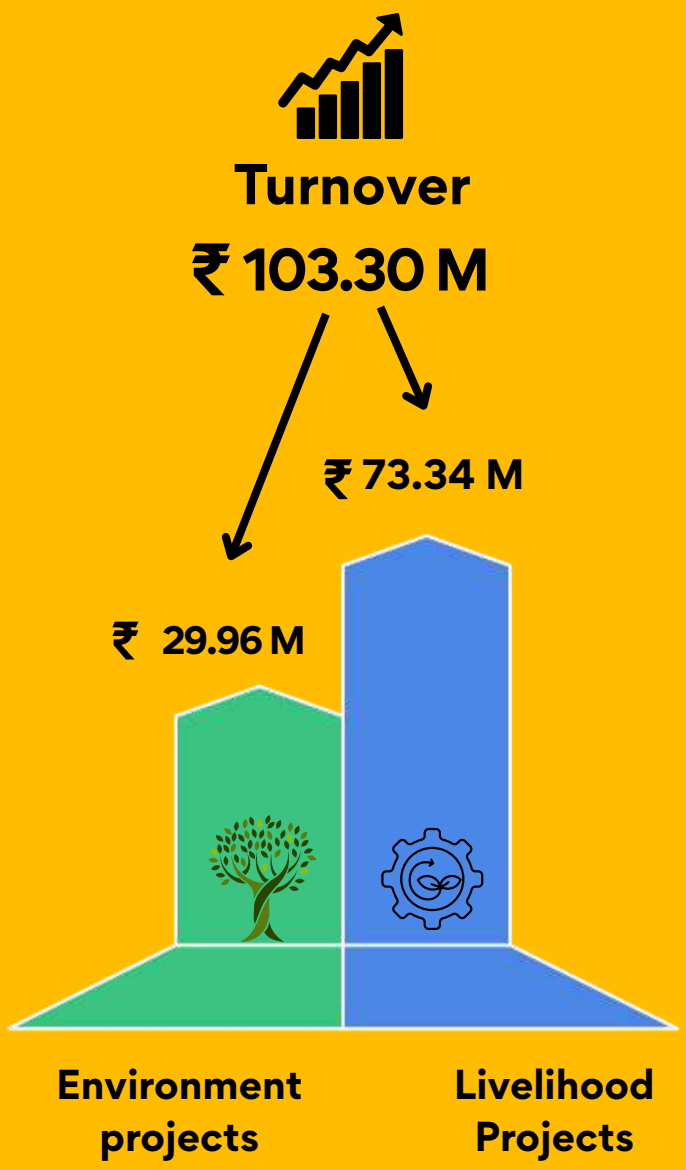
Shri. Ram Mohan Mishra
Trustee
Executive Chairman, State Investment Promotion Board, Govt. of Meghalaya; Special Secretary, Minsitry of MSMEs, Govt. of India

KEY HIGHLIGHTS



FINANCIAL BRIEF

The year 2024-25 has seen a turnover of Rs. 103.30 million as against Rs. 130.34 million in the previous year. This year was strategically focused on laying a strong growth foundation for the future. The organisation secured new business worth Rs. 275.15 million, nearly double the Rs. 138.90 million achieved last year. Despite challenges, the management consciously realigned its project portfolio with national priorities and organisational strengths. Guided by our esteemed Board of Trustees, FMC continues to strengthen its niche in enhancing the competitiveness of Micro and Small Enterprises, while scaling impact in sustainable development. The balanced mix of national and international projects reflects our strategy to remain deeply engaged in India while extending support to developing economies.







PROGRAMMES & INTERVENTION

Empowering Women Weavers in Assam

Under the NHPC-supported project, FMC supported 254 women weavers with training in design, market access, and infrastructure in two districts of Assam. A women-led Producer Company was formed to enable collective ownership. These weavers are now positioned as entrepreneurs.

Partnership with SIDBI

Under the Systematic Cluster Intervention Program (CIP) launched by Small Industries Development Bank of India (SIDBI), FMC has strengthened the MSME ecosystem by designing and implementing strategies through a cluster approach, facilitated MSMEs' access to various services, and enhanced the competitiveness of the supply chain.

Cybersecurity for MSMEs

With The Asia Foundation and Google.org, FMC trained 3,000 MSMEs in cybersecurity during FY 2024–25, boosting digital resilience among small enterprises.

Financial Inclusion through Dhan Samvaad

Under Mahindra Finance's CSR, over 25,000 nano and micro businesses were empowered with financial literacy and digital tools; 18,000 received full handholding support.

Green Threads Initiative

Launched in Jan 2025, the EU-supported Green Threads project spans Panipat, Bhojpur, and Amroha—targeting 14,800 MSMEs and 2.5 lakh workers. This initiative drives sustainable textiles through branding, traceability, green finance, technology, and policy.

Market Access in Jharkhand

In Jharkhand, FMC is working with the State Livelihood Mission to open up market-driven opportunities for handloom producers.



PROGRAMMES & INTERVENTION

Green Weave Initiative

Under the DANIDA-supported initiative, FMC will adapt and promote commercially viable, customized Traceability Mechanisms (TM) and Resource Efficiency Solutions (RES) among recycled textile supplier MSMEs. This will enable them to effectively navigate evolving Indian and EU green regulations, mitigate associated risks, and enhance compliance, competitiveness, and long-term sustainability in global markets.

Scaling Digital & Startup Ecosystem

With Friedrich Naumann Foundation for Freedom's (FNF) support, FMC trained 90 leaders, enabling 54 MSMEs to register on e-commerce platforms. With cluster maturity, only one new cluster will be added, while ISBA now manages the startup platform transitioned via a tripartite agreement.

Decarbonising Textile SMEs

FMC, with HSBC support, drives MSME decarbonization by aligning with global standards, enhancing exports, and promoting inclusive growth. The initiative provides diagnostics, skills re-skilling, green finance access, and policy advocacy, safeguarding 2,50,000 workers—60% women—while enabling competitiveness and sustainable market linkages.



SYSTEMATIC CLUSTER INTERVENTION

To undertake a Systematic Cluster Intervention Programme in select 5 clusters (SIDBI-CIP)

A project funded by sidbi

The Small Industries Development Bank of India (SIDBI) launched the Systematic Cluster Intervention Program (CIP) across 25 clusters, grouped into 5 buckets. FMC was selected as the Implementing Agency for the following five clusters:

- Foundry Cluster – Belgaum, Karnataka
- Tourism Cluster – Shimla, Himachal Pradesh
- Food Processing Cluster – Aizawl, Mizoram
- Auto & General Engineering Cluster–Nagpur, Maharashtra.
- Poshak Cluster – Vrindavan-Mathura, Uttar Pradesh

In FY 2024–25, FMC initiated cluster transformation through Trust-Building Workshops, followed by focused interventions. These included training on Occupational Health & Safety (OHS) and cybersecurity, awareness sessions on government schemes and credit access, promotion of Lean Manufacturing, facilitation of direct market linkages and joint raw material procurement, and skill development programs tailored to local needs.

CLUSTER-LEVEL ACHIEVEMENTS UNDER CIP

POSHAK CLUSTER, MATHURA (UP)

FMC conducted awareness programs on government schemes for 180 poshak makers and cyber security training for 100 MSMEs. Support on government loan products led to 11 loan sanctions. Direct market linkages in Kolkata are expected to boost profits by 50% for 100 artisans. Joint procurement began, cutting input costs by 30%. Through skill training, 50 women were upskilled—15 self-employed, 13 joined Self Help Groups (SHGs), and 22 secured jobs, generated market linkage of ₹8 lakh in 6 months.

100

MSMEs trained in Cyber Security

50%

Profit increase projected for 100 artistans

FOOD PROCESSING CLUSTER, AIZAWL (MIZORAM)

Skill programs on financial and credit literacy benefited 63 MSMEs, leading to 15 adopting bookkeeping and several filing ITRs. 16 MSMEs secured FSSAI certification, and 51 entrepreneurs were trained in GST compliance.

FOUNDARY CLUSTER, BELGAUM (KARNATAKA)

Over 150 participants joined training on Quality Casting and Occupational Health & Safety (OHS). 50 MSMEs were sensitized on the MSME Lean Scheme, with active registrations.

63

MSMEs trained in financial and credit literacy

16

MSMEs secured FSSAI certificate with support from FMC

CLUSTER-LEVEL ACHIEVEMENTS UNDER CIP

AUTO & ENGINEERING CLUSTER, NAGPUR (MAHARASHTRA)

Training on CNC Machines (Plasma Cutting) benefited 30 MSME personnel, targeting a 10% reduction in material waste. Awareness on Lean Manufacturing was conducted. Renewable energy feasibility studies were initiated in 10 MSMEs with solar assessments and site visits completed.

30

MSME personnel trained in CNC Plasma Cutting

Renewable energy feasibility studies for 10 MSMEs

Awareness on Lean Manufacturing practices

TOURISM CLUSTER, SHIMLA (HIMACHAL PRADESH)

Three skill programs on Hospitality Management trained 55 professionals in Kufri, Kullu, and Manali. Advanced Guide Training for 25 guides enhanced visitor experience, aiming to improve tourist satisfaction and guide engagement.

55

Hospitality professionals trained through 3 Skill Development Programs.

25

Guides upskilled through Advanced Guide Training

GLIMPSES FROM THE FIELD



SDP on quality iron castings, molding & induction melting in Belgaum Foundry Cluster



Trust Building-cum-Lunch Workshop at Mathura, Uttar Pradesh



Sensitization programme on MSME Competitive Lean Scheme



Trust Building-cum-Lunch Workshop at Nagpur, Maharashtra



SDP on Poshak Making in Mathura Poshak Cluster



Field visit of Advanced Guide Training



PROMOTING LIVELIHOOD AUGMENTATION

Establishment of Community Enterprise for Handloom Products in Lakhimpur & Dhemaji Districts

A project funded by

In FY 2024–25, SAAR Handloom, operating in the economically underserved districts of North Lakhimpur and Dhemaji, Assam, made meaningful strides in enhancing the livelihoods of local weavers. Despite the presence of nearly 50,000 weavers in these districts, weaving contributed less than 5% to most family incomes, highlighting a critical development gap. To address this, NHPC Ltd. (Lower Subansiri Division), in collaboration with IRMA, partnered with FMC to implement a handloom intervention. The initiative focuses on building a Common Facility Centre (CFC), developing new value-added products, and strengthening market linkages through a weaver-owned producer company.

By the end of FY 2024–25, 254 members directly benefited from this initiative. Four individuals were employed in administrative roles, while 250 weavers engaged regularly and earned monthly wages, ensuring consistent income. The initiative also trained members in handloom best practices, new looms, yarns, and SOPs.



Sangeeta Borah brings tradition to life, weaving a beautiful stole with skill and care

A new product line was introduced, boosting productivity and meeting market demands. As a result, market orders worth ₹10 lakh were secured, and over 200 weavers experienced a 10% income increase.

SAAR Handloom achieved another key milestone—growing to 405 shareholders, reflecting strong community ownership and confidence in the enterprise. The project also targets expanding livelihood opportunities to 400 weavers and 20 embroidery artisans. To further establish quality and authenticity, SAAR Handloom earned the Silk Mark Certification and Craftmark Certification. Infrastructure development was also prioritized, with 50 sets of lighting and fittings distributed to enhance working conditions, especially in low-light areas—strengthening both productivity and sustainability of the artisan community.



Women beneficiaries warping in jacquard loom



DIGITALLY FORWARD COMMUNITIES

Strengthening Micro Enterprises through Digital and Financial Literacy

A project funded by mahindra FINANCE

In an era where digital and financial literacy are crucial for survival and growth, nano and micro-enterprises—often informal and resource-constrained—face significant hurdles in navigating technological, economic, and policy changes. To address this, Mahindra Finance, under its CSR initiative, launched Dhan Samvaad, aiming to empower 25,000 entrepreneurs across Delhi NCR, Haryana, Uttar Pradesh, and Chennai with practical skills in financial management, digital tools, and accessing government schemes.

Implemented by FMC, the initiative focused on building self-reliant and informed local economies. Training sessions were delivered using a community-based approach, in local languages, with relatable examples and familiar trainers. Convenient venues and flexible scheduling ensured participation, while localized content helped bridge the knowledge gap. More than 18,000 entrepreneurs received post-training support via one-on-one follow-ups and WhatsApp groups.

Financial Literacy
Practical skills in saving, investing, borrowing, insurance, and managing personal and business finances.

Digital Literacy
Training on DigiLocker, Account Aggregator, and safe digital practices.

Government Scheme Awareness
Helping entrepreneurs access schemes like PMSBY, Udyam Aadhaar, and Mudra loans.

The program not only met its ambitious goal of enabling 75% participants to actively use DigiLocker and access schemes, but also harnessed social media outreach (50+ posts) to expand awareness. State and national workshops celebrated success stories and reinforced learning. Despite hurdles such as bad weather, festivals, and tech issues, adaptive planning ensured continuity. Crucially, data privacy concerns were proactively addressed to build participant trust, making Dhan Samvaad a strong model for inclusive digital and financial empowerment.

25,000
Nano and micro-entrepreneurs trained

75%
Participants use DigiLocker and government schemes

18,000+
Received follow-up support via calls and Whatsapp



Certificate Distribution Ceremony at National Dissemination Workshop in New Delhi



DIGITAL SECURITY & EMPOWERMENT

Capacity Building of Micro Enterprises in Cyber Security through Digitalisation

A project funded by The Asia Foundation Google.org

In today's connected economy, cyber threats such as phishing, ransomware, and data breaches are increasingly targeting MSMEs, who often lack the IT infrastructure or expertise to defend themselves. These attacks can severely impact business continuity, financial stability, and reputation. As digital adoption rises across the MSME ecosystem, so do vulnerabilities.

To address this, the APAC Cybersecurity Project was launched with the goal of enhancing the cyber resilience of 70,000 MSMEs across India. The project provides essential training in cybersecurity practices, supported by a robust Learning Management System (LMS) and Management Information System (MIS).



Achievements in FY 2024–25:

3,000
MSMEs trained in cyber security

10
BMOs capacitated to continue training and outreach

FMC trained 3,000 MSMEs in cybersecurity, and 10 BMOs were capacitated to continue training and outreach during FY 2024–25, boosting digital resilience among small enterprises. A cluster-based approach targets MSME hubs like Faridabad, Lucknow, and Jalandhar, including sectors like retail and hospitality. Training is delivered in five regional languages by 40 certified trainers using a curriculum designed through stakeholder consultations and surveys.

The program is implemented through 250+ BMOs, supported by 40 mobilization camps annually, and tracked via key performance indicators (KPIs). To ensure broader outreach, the project developed a microsite, launched a multi-platform branding and communications campaign, and disseminated 50+ case studies highlighting success stories across YouTube, Instagram, LinkedIn, and Twitter. This initiative is a timely response to the growing need for digital safety in India's MSME sector, helping enterprises not just survive but thrive in an evolving cyber landscape.



DECENTRALIZING SKILLS: A NEW PATHWAY FOR WOMEN

Decentralizing apprenticeship for women apprentices

A project funded by

In rural India, especially among Scheduled Tribes, women face systemic barriers to formal employment and skill-building. Their artisanal skills, though rich in tradition, often remain disconnected from formal markets, limiting income and opportunity. A lack of digital literacy, access to infrastructure, and gender-equitable platforms further compounds their exclusion from mainstream economic participation.

To address this, FMC launched the Decentralized Apprenticeship for Rural Women in Tamnar Block, Raigarh district (Chhattisgarh), targeting 100 women from artisanal households. The hybrid model delivered 135 hours of hands-on training—90 hours at home and 45 in training centers—covering 14 embroidery techniques, precision tailoring, product design, quality control, and market-ready production of goods like tote bags, cushions, and textile gifts.



- **100** rural women trained in embroidery & tailoring
- **135-hour** hybrid apprenticeship (45 hrs center + 90 hrs home-based)
- Income increased by **₹2,000–2,500/month**
- Marketable products: tote bags, cushions, mats, textile gifts
- 20 women digitally trained for e-commerce access
- Work orders confirmed for 50 women
- SHGs & producer company initiated for collective growth

A focused digital module trained 20 women to engage with e-commerce platforms, laying the foundation for digital entrepreneurship. Supported by Hindalco Industries Ltd. and Kosala Livelihood and Social Foundation, the program secured confirmed work orders for 50 women, boosting monthly incomes by ₹2,000–2,500 and raising tailoring income by 25%.

The program also incubated Self-Help Groups and a producer company to build collective strength, reduce dependency on middlemen, and formalize women's economic roles. By embedding gender-responsive training, productivity tracking, and community resource optimization, this scalable model demonstrates how decentralization, digital empowerment, and local relevance can transform rural women into confident earners and entrepreneurs—ready to lead change in their communities.



REVIVING JHARKHAND'S HANDLOOMS

A project as Technical Support Agency under National Rural Economic Transformation Project (NRETP)

A project funded by

The Indian handloom industry, one of the oldest cottage industries, is globally valued for its artistry and provides the second-largest employment after agriculture, engaging over 31 lakh households, mostly in rural areas. In Jharkhand, weaving exists in 10 districts with 16,478 households, largely from OBC and marginalized groups, many earning below ₹10,000 per month despite their skilled work.

To revive this sector, the Development of Handloom Clusters under NRETP was launched by Jharkhand State Livelihood Promotion Society (JSLPS), with FMC selected as the Technical Support Agency (TSA) for Godda and Sahebganj. The project focuses on market-led, community-driven enterprise development through Producers' Collectives, aiming to transform Jharkhand's handloom sector while enhancing artisan livelihoods and fostering sustainable, long-term growth within their communities. FMC prepared a Diagnostic Study Report and an intervention plan focusing on skills, product innovation, marketing, and governance. The project progressed by incorporating Thakurganti Mandro Sakhi Silk Handloom Weavers Pvt. Ltd., mobilizing 564 artisans with share capital, recruiting professionals, conducting stakeholder trainings, and securing funds to commence implementation.



UNLOCKING DIGITAL MARKETS FOR MSMEs

Ensuring MSMEs Access to E-commerce

A project funded by FRIEDRICH NAUMANN FOUNDATION For Freedom. South Asia

Nearly 85% of India's 64 million MSMEs operate as Own Account Enterprises (OAEs), with one-third in manufacturing. Historically, artisan and micro-enterprises have faced barriers to digitisation due to poor access to technology and vernacular support. While progress is visible—Bain & Company and Flipkart report a 35% rise in online sellers during 2020–21—many MSMEs remain disconnected from e-commerce. Bridging this gap is critical for inclusive growth.

Building on its earlier FNF-supported intervention, FMC launched a three-year project to strengthen MSME participation in e-markets across five clusters. The goal is for 75% of enterprises to engage in e-commerce, with half reporting higher order values. In FY 2024–25, awareness and training were conducted in two clusters, exceeding targets with 90 leaders trained and 54 MSMEs registered online. Given cluster maturity, only one new cluster will be added over the next two years to enable deeper engagement and maximize impact.



SUSTAINABLE GREEN MSME PRACTICES

Say YES to Sustainable MSMEs

A project funded by YES FOUNDATION

Micro, Small & Medium Enterprises (MSMEs) are crucial drivers of inclusive, equitable, and employment-rich growth in India. Their role is not only economic but also environmental—holding potential to accelerate India's shift to a low-carbon, climate-resilient future. However, widespread adoption of sustainability practices remains limited due to several barriers: lack of tailored information, absence of clear business cases for clean technologies, and restricted access to green finance.

The "Say YES to Sustainable MSMEs" initiative was launched to address these challenges and enhance the competitiveness of MSMEs by embedding sustainability into their operations.

Key Achievements:

103 walk-through energy audits conducted at MSME premises

1093 tonnes of Carbon emission reduced

Actionable energy-saving measures identified in machinery and equipment

Lower production costs and improved energy efficiency for all 103 MSMEs

Boosted competitiveness through sustainability integration

Enabled scalable, climate-resilient practices in MSME clusters



BAMBOO FOR CLIMATE AND LIVELIHOOD

Promoting Bamboo-based Sustainable Solutions for Environmental Conservation

A project funded by

With 75% forest cover, Meghalaya is experiencing rapid ecological degradation due to shifting cultivation, forest fires, grazing, and mining—leading to biodiversity loss, soil erosion, and water scarcity. This also threatens rural livelihoods by reducing access to non-timber forest products. Bamboo, with its resilience and deep-rooted system, presents a sustainable solution —restoring degraded lands while creating livelihood opportunities.

Given the state's low per capita income, bamboo cultivation on private, non-forest lands offers a dual benefit: economic upliftment and environmental resilience. The project introduces scientifically selected, market-relevant bamboo species and promotes improved cultivation techniques to boost productivity and ensure sustainability. A 100-hectare bamboo plantation can sequester up to 3,200 metric tonnes of CO_2 annually, plus an additional 874 tonnes through durable bamboo products—making it a powerful tool for climate action.

In FY 2024–25, the project identified 200 farming households for intervention. Between December 2024 and January 2025, ten awareness drives on bamboo cultivation were conducted, engaging 335 participants, including 119 women and 216 men. Hands-on training sessions were delivered to 392 farmers (188 women and 204 men), covering sustainable cultivation, harvesting, grading, and treatment techniques. These farmers received farming tools along with training on their operation and maintenance.

In February and March 2025, skill development sessions were held for bamboo artisans, focusing on the use of treated raw material and appropriate bamboo species for quality production. The prototype development of high-value bamboo products was initiated, and efforts to connect artisans with potential buyers were launched. Currently, plantation activities are actively underway at the project site in Ri-Bhoi, Meghalaya.



Key Highlights from FY 2024–25 Bamboo Intervention in Meghalaya

200 farmer households identified and onboarded

335 individuals sensitized through 10 awareness drives (including 119 women

392 farmers trained on sustainable bamboo practices (including 188 women

Farming tools distributed with technical training on use and maintenance

Artisan skilling conducted for quality bamboo craft using treated raw material

Prototype development initiated for high-value bamboo products

Market linkages being built to connect artisans with new buyers



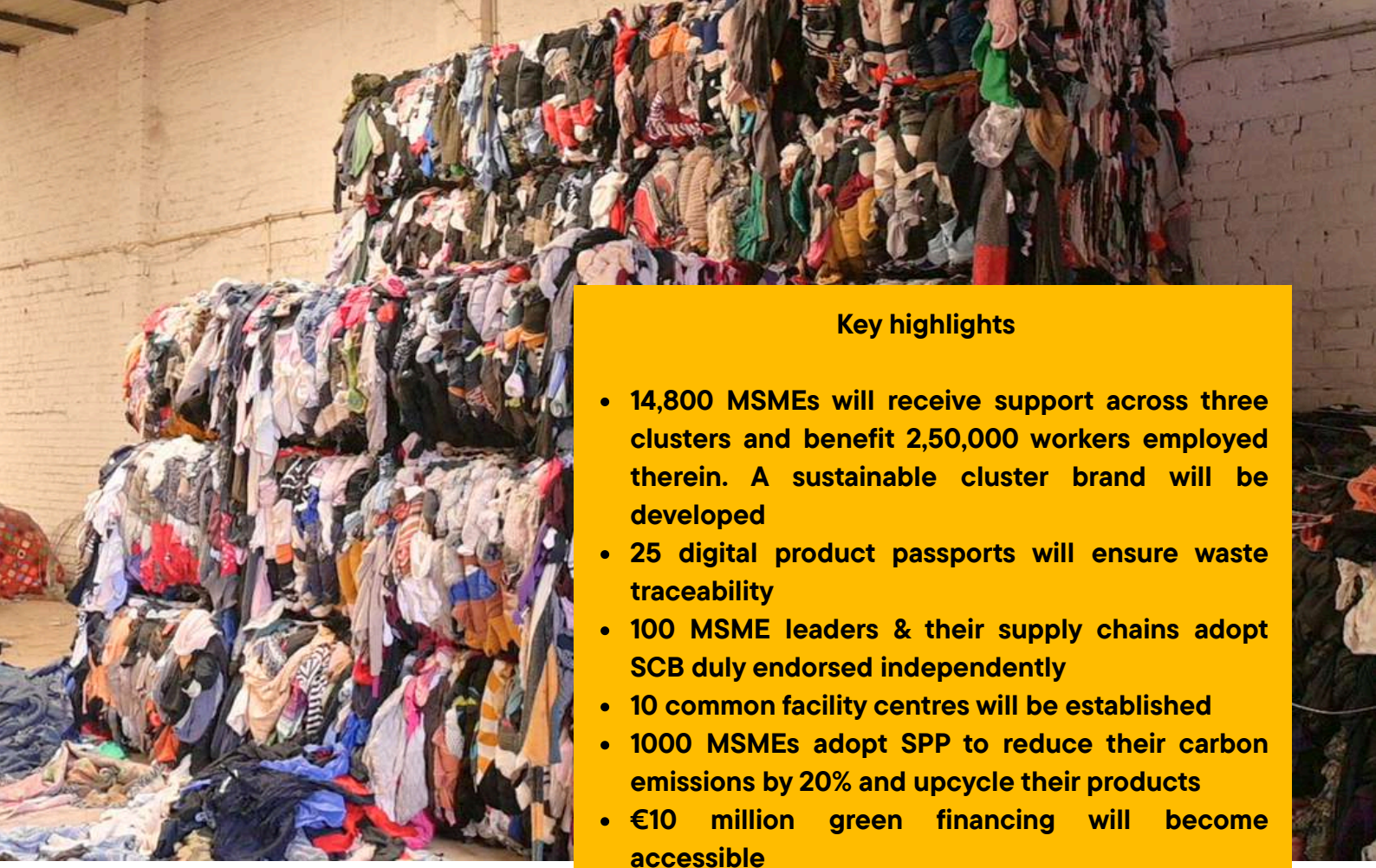
GREEN THREADS: POWERING A SUSTAINABLE TEXTILE REVOLUTION

Enhancing Sustainability in India's Textile Recycling Clusters

A project funded by switchasia GRANTS PROGRAMME

India's textile recycling clusters—Panipat, Amroha, and Bhojpur—are key players in the global circular economy, with Panipat alone handling 60% of the country's recycled textile waste and generating approximately $1.7 billion in exports annually. Yet, these clusters face critical challenges: outdated technologies, excessive resource use, unsafe working conditions, and high CO_2 emissions. Most workers—marginalized women and migrants—remain trapped in low-paying, hazardous jobs with limited opportunities for upskilling.

With rising global regulatory pressures—such as the EU Green Deal—and India's BRSR Core and HSN tracking requirements, MSMEs face growing compliance burdens.



Key highlights

- **14,800 MSMEs will receive support across three clusters and benefit 2,50,000 workers employed therein. A sustainable cluster brand will be developed**
- **25 digital product passports will ensure waste traceability**
- **100 MSME leaders & their supply chains adopt SCB duly endorsed independently**
- **10 common facility centres will be established**
- **1000 MSMEs adopt SPP to reduce their carbon emissions by 20% and upcycle their products**
- **€10 million green financing will become accessible**
- **6 learning documents will be prepared on the policy ecosystem for climate resilience**

Diagnostic studies by FMC reveal a strong readiness among stakeholders to adopt sustainable practices—provided the support is inclusive and accessible. The Green Threads initiative responds to this need with a holistic approach integrating sustainability branding, traceability, green production, financing, and policy alignment. Its goal is to make India's recycling clusters global benchmarks in circular textile production—delivering both environmental and socio-economic impact.

The Green Threads initiative targets five key objectives to drive sustainability in India's textile recycling clusters. It aims to develop a Sustainable Cluster Brand (SCB) in the Panipat cluster and implement a Traceability Mechanism for Textile Waste (TMTW) with 25 Digital Product Passports (DPPs). It will promote Sustainable Production Practices (SPP) through technology upgrades, 10 Common Facility Centres, and a 20% carbon reduction goal. To support this transition, the initiative will facilitate €10 million in Green Financing through business planning, capacity building, and BDSP support. It will also strengthen the Policy Ecosystem for Climate Resilience (PECR) with six policy papers and national/international workshops. In total, it aims to support 14,800 MSMEs and 250,000 workers—across Panipat, Amroha, and Bhojpur to build a sustainable, circular, and climate-resilient textile industry.



GREEN WEAVE: TRACEABLE SUSTAINABLE PROFITABILITY

Profitability by Integrating Traceability & Resource Efficiency in Recycled Textiles (India)

A project funded by DGBP DANIDA GREEN BUSINESS PARTNERSHIPS

MSMEs in Panipat, a major hub for recycled textiles, face mounting pressure from global regulations like the European Green Deal. Without swift adaptation, they risk losing market access —jeopardizing livelihoods and local economic resilience. Green Weave responds to this urgency with a bold, transformative approach.

The project aims to equip recycled textile MSMEs with commercially viable traceability mechanisms and resource-efficient solutions, tailored to meet the compliance demands of both Indian and international green regulations. By embedding transparency and sustainable practices into the supply chain, Green Weave strengthens Panipat's position as a global leader in sustainable textiles.

Beyond compliance, the initiative drives systemic change—cutting CO_2 emissions, improving energy efficiency, and advancing circular economy models. It also champions inclusive, gender-equitable livelihoods for marginalized workers, proving that environmental sustainability and social equity can—and must—go hand in hand.



GREEN PILOTS: DECARBONISING TEXTILE MSMEs

Demonstrating decarbonisation pathways through pilots in the textile small and medium enterprises (SMEs)

A project funded by HSBC

India's goal of achieving 500 GW of fossil fuel-free capacity by 2030 and decarbonizing 50% of its energy mix demands urgent industry-wide action. With MSMEs contributing 25% of industrial energy use and emitting around 110 million tonnes of CO_2 annually, their transformation is essential. Yet, outdated technologies, low awareness, and inadequate financial and policy support continue to hinder progress.

This initiative empowers MSMEs in the Panipat textile cluster to adopt low-carbon production practices through a holistic strategy integrating capacity building, green finance facilitation, and pilot demonstrations.



It aims to mainstream sustainable practices and provide policy inputs for an enabling ecosystem that can be replicated across sectors.

The project equips MSMEs with the knowledge, tools, and access to services needed to align with global standards like the EU Corporate Supply Chain Due Diligence Directive—enhancing market competitiveness for Indian exporters. It also champions inclusive development, safeguarding the livelihoods of 250,000 workers, 60% of them women, through re-skilling for green jobs and promotion of social equity. The initiative focuses on key components to enable MSME decarbonization: diagnostic and sector-specific reports, baseline assessments of GHG emissions and workforce skills, and SME-specific decarbonization plans. It engages BDSPs and BMOs to support skilling, finance, and market linkages, and facilitates the preparation of green financing proposals with investor engagement. Knowledge products and policy briefs are being developed for wide dissemination to influence policy and practice.

So far, eight Competitive Collaborator Groups (CCGs), comprising 40 SMEs, have been identified. Twelve meetings have been held to assess emissions and export potential. A launch workshop in March 2025 brought together key stakeholders and introduced the initiative's goals. These efforts are laying a strong foundation for scalable, inclusive, and climate-resilient growth in the MSME sector.



DRIVING ENERGY EFFICIENCY IN MSMES

To study the issue of information gaps impeding the adoption of Energy Efficient Technologies (EETs) by Indian small and medium-scale enterprises

A project funded by gbl.

MSMEs in energy-intensive sectors like textiles face significant barriers to adopting Energy Efficient Technologies (EETs)—including limited awareness, risk-averse investment behavior, lack of technical know-how, and inadequate financing. Informal decision-making, uncertain paybacks, and fuel price volatility further deter adoption. To address this, the Foundation for MSME Clusters (FMC) and Good Business Lab (GBL) piloted a two-phase intervention with 20 micro and small dyeing units in Kolkata. It examined how information gaps and behavioral biases affect investment in efficient boilers and thermal systems.

A customized ROI calculator demonstrated 12–18% fuel savings and 48–62 tons of CO_2 reduction per unit annually, along with improved air quality. Workshops and surveys in the second phase boosted awareness and revealed adoption drivers. Post-intervention, 60% of firms expressed intent to adopt EETs, with four units starting trials. Despite ongoing challenges like fuel price volatility and buyer pressure, the project offers a scalable, behaviorally informed model to accelerate MSME energy transition in India.

TOGETHER AS A TEAM



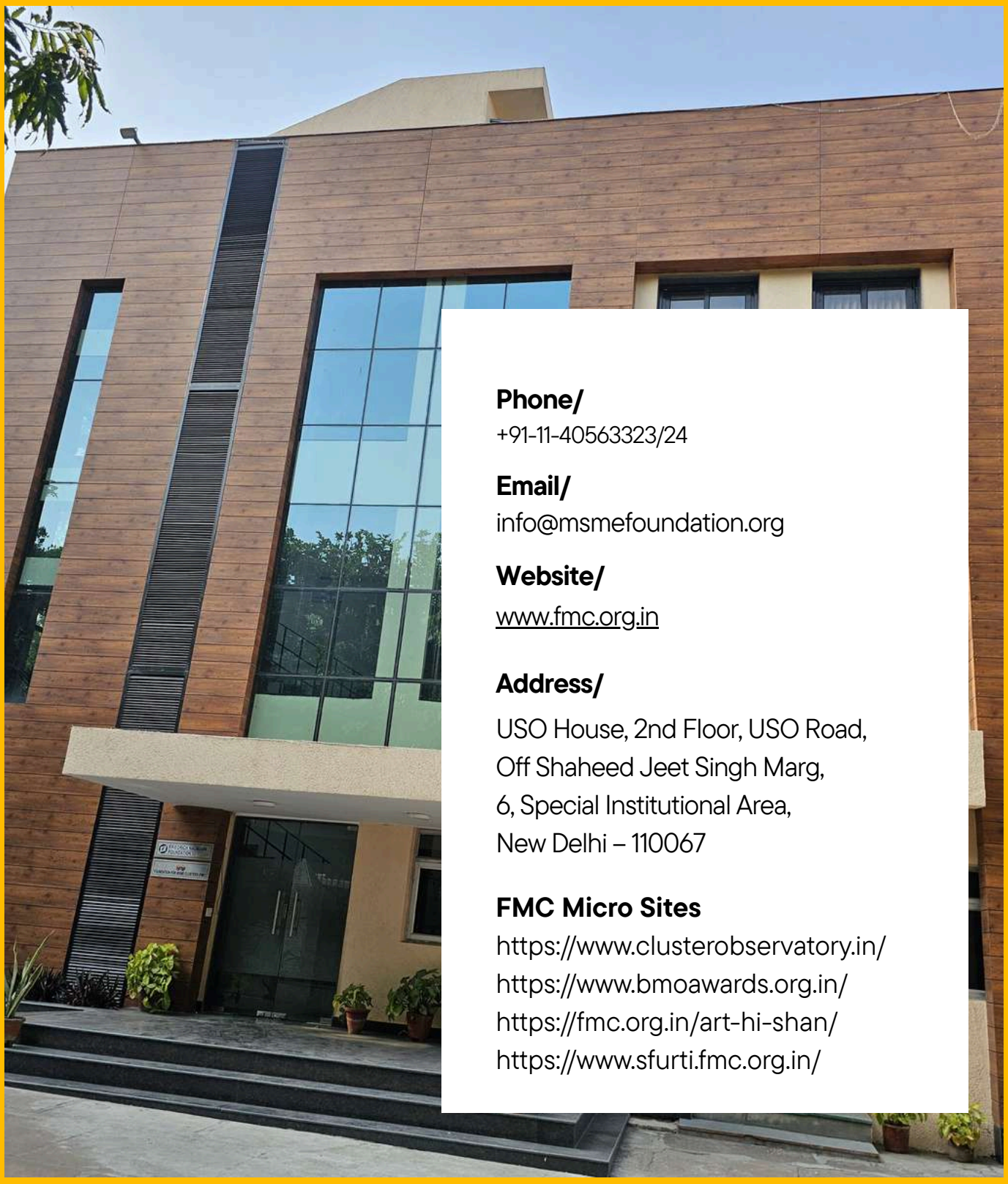








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https://fmc.org.in/art-hi-shan/
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Statutory Auditor's Report

INDEPENDENT AUDITORS' REPORT

To
The Board of Trustees
Foundation of MSME Clusters
New Delhi

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Foundation of MSME Clusters ("the FMC")**, which comprises the Balance Sheet as at March 31 2025, Income and Expenditure Account and Receipt & Payment Account for the year April 01, 2024 to March 31, 2025, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the FMC in accordance with the accounting principles generally accepted in India, including the applicable accounting standards. This Responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the FMC and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that operate effectively for ensuring the adequacy and completeness of accounting records relevant to the preparation and presentation of financial statements, that give a true and fair view and are free from misstatement ,whether due to fraud or errors.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical



requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the FMC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the FMC has in place an Adequate internal Financial Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of state of affairs of FMC as at 31st March,2025 and its excess of income over expenditure for the year ended on that date.

For N S B & ASSOCIATES
Chartered Accountants
FRN: 023043N



Jiwan Singh Mehta
Partner
M. No. 530567
UDIN: **25530567BMISZV4695**

Place: New Delhi
Date: 27/09/2025

Foundation for MSME Clusters

FOUNDATION FOR MSME CLUSTERS

BALANCE SHEET AS AT 31st March, 2025

PARTICULARS	Sch. No	As At 31st March, 2025	As At 31st March, 2024
SOURCES OF FUNDS			
CAPITAL FUND		-	-
Corpus Fund		5,000	5,000
Reserve Fund	A	3,75,29,456	4,67,87,344
Fixed Assets Funds	B	2,19,244	2,02,713
		-	-
Total A+B		**3,77,53,700**	**4,69,95,057**
APPLICATION OF FUNDS		-	-
FIXED ASSETS	C		
Gross Block		15,56,703	15,68,910
Less: Depreciation		2,81,462	2,98,406
Net Block		**12,75,241**	**12,70,504**
CURRENT ASSETS LOANS & ADVANCES	D		
Cash & Bank Balances		6,22,69,946	2,69,59,127
Loans & Advances		67,53,728	45,10,306
Receivables		1,97,47,567	3,58,33,238
Other Current Assets		3,18,366	83,892
		8,90,89,607	**6,73,86,564**
LESS : CURRENT LIABILITIES & PROVISION	E		
Current Liabilities & provision		5,26,11,148	2,16,62,011
			-
		5,26,11,148	**2,16,62,011**
Net Current Assets	(D-E)	3,64,78,460	4,57,24,553
Total C+(D-E)		**3,77,53,700**	**4,69,95,057**

Notes on Accounts K

Schedule "A" to' K" form part of these financial statements

For FOUNDATION FOR MSME CLUSTERS

Mr. Mukesh Gulati
Executive Director

Neelam Bachheti
Head -Finance & Accounts

As per our separate report of even date
NSB & Associates
Chartered Accountants
Firm Regn No. 023043N

CA.Jiwan Singh Mehta
Partner
M.No.530567

PLACE : NEW DELHI
DATE: 27-09-2025

Foundation for MSME Clusters

FOUNDATION FOR MSME CLUSTERS

INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD ENDING 31st March, 2025

(Amount in Rupees)

EXPENDITURE	Sch	Year ended 31st March, 2025	Year ended 31st March, 2024	INCOME	Sch	Year ended 31st March, 2025	Year ended 31st March, 2024
Audit Fees		3,00,000	3,00,000	**Grants**			
Board of Trustees Meeting Expenses		4,95,412	7,23,212	- MoMSME SFURTI		-	4,16,22,084
EPF & ESI Contribution		14,33,173	13,83,011	- Other Grants		6,83,71,027	4,55,50,015
Establishment & Office Expenses	F	15,96,907	40,67,735	Support Service		2,93,53,399	3,99,74,329
Gratuity Expenses for the year		-	5,00,000	**Sub Total (Grants)**		**9,77,24,426**	**12,71,46,428**
Insurance Expenses		12,68,796	12,73,764				
Legal and Consultancy Expenses		9,25,676	24,24,455			-	-
Offices Rent		6,52,099	25,42,326	Interest Received from Banks	H	50,63,305	7,33,725
Salaries and Bonus Paid	J	53,85,416	1,07,79,973	Miscellaneous Reciepts	I	5,16,411	24,62,801
Water and Electricity Expenses		3,35,960	3,18,540				
Project Expenditure (Grant Mode)		6,67,84,466	7,54,51,570				
Other Projects Expenses	G	2,31,65,911	2,69,72,073				
Depreciation	C	2,81,462	2,98,406				
Provision for doubtful debts		-	17,15,000				
Unrecoverable Balance Written Off		1,15,921	-				
Total Expenses		10,27,41,200	12,87,50,065				
Excess of Income over Expenditure		5,62,942	15,92,889				
Total		**10,33,04,142**	**13,03,42,954**	**Total**		**10,33,04,142**	**13,03,42,954**

Schedule "A" to' K" form part of these financial

FOR FOUNDATION FOR MSME CLUSTERS

Mr. Mukesh Gulati
Executive Director

Neelam Baehheti
Head -Finance & Accounts

PLACE : NEW DELHI
DATE: 27-09-2025

Auditor's Report
As per our separate report of even date

NSB & Associates
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CA.Jiwan Singh Mehta
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Foundation for MSME Clusters

FOUNDATION FOR MSME CLUSTERS

RECEIPT & PAYMENT FOR YEAR FOR THE PERIOD ENDING 31st March, 2025

RECEIPTS	Year ended 31st March, 2025	PAYMENTS	Year ended 31st March, 2025
Opening Balances		Audit Fees	3,00,000
Cash and Bank Balance		Board of Trustees Meeting Expenses	4,95,412
Cash in Hand	-	EPF & ESI Contribution of FMC	14,33,173
Balance with Banks	1,97,00,277	Establishment & Office Expenses	15,96,907
Fixed Deposit with banks	72,58,850	Gratuity Expenses for the year	-
		Insurance Expenses	12,68,796
		Legal and Consultancy Expenses	9,25,676
Interst from Bank FC	5,45,107	Offices Rent	6,52,099
Interest from Banks	3,12,611	Salaries and Bonus Paid	53,85,416
		Water and Electricity Expenses	3,35,960
		DANIDA	11,32,453
Receipt FC Grant & Donation	8,86,46,254	The Hongkong and Shanghai Banking Corporation Limited (HSBC)	74,82,697
Grant & Donation Indian & Support Service	7,04,59,447	Barkely University	23,07,912
		SAARC Development Fund Bamboo	1,01,71,879
		International Labour Organization Project (ILO)	16,69,400
		Mahindra and Mahindra Financial Services Limited (MF)	2,31,43,437
		UNDP-TERI	5,85,667
		UPSRLM	20,00,000
		Yes Bank Foundation	19,33,991
		EU Switch Asia Bamboo Project	1,00,47,403
		Friedrich Naumann Foundation (FNF)	13,72,790
		EU Switch Asia Green Threads Project	45,27,975
		The Asia Foundation	75,37,168
		CISCO	24,95,031
		Other Project Expense	2,31,65,911
		Change in Net current Asset & Liability	
		Change in Net current Asset & Liability	1,24,06,871
		Purchase of Asset	2,78,576
		Sub - Total	**12,46,52,600**
		Closing Balances	
		Cash	-
		Balance with Banks	5,48,35,822
		Fixed Deposit	74,34,124
Total Rs.	**18,69,22,546**	**Total Rs.**	**18,69,22,546**

FOR FOUNDATION FOR MSME CLUSTERS

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PLACE : NEW DELHI
DATE: 27-09-2025

Foundation for MSME Clusters

Foundation for MSME Clusters

SCHEDULES FORMING PART OF FINACIAL STATEMENTS AS AT 31.03.2025

(Amount in Rupees)

SCHEDULE - A : RESERVE FUND

Particulars	As At 31st March, 2025	As At 31st March, 2024
Balance as per previous balance sheet	4,67,87,344	4,51,94,455
Add: Excess Income over expenditure	5,62,942	15,92,889
Less: Amount transfer through common fund in previous years	(98,20,830)	
Total	**3,75,29,456**	**4,67,87,344**

SCHEDULE - B : FIXED ASSETS FUND

Particulars	As At 31st March, 2025	As At 31st March, 2024
Balance as per previous Balance sheet	2,02,713	1,42,300
ADD: Fixed Assets purchase	2,19,244	60,413
	-	-
Less: Fixed Assest written off	2,02,713	-
Less: Tranferred to Reserve Fund	-	-
Total	**2,19,244**	**2,02,713**

Foundation for MSME Clusters New Delhi

Foundation for MSME Clusters New Delhi

NSB & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

Foundation for MSME Clusters

SCHEDULE - C

Details of Fixed Assets as on 31.03.2025

(Amount in Rupees)

S. No.	Name of the Assets	Rate	W.D.V as on 01.04.2024	Additions upto 30.09.2024	Addition after 30.09.2024	Sale/ Adjustment	Total	Depreciation for the Year	W.D.V as on 31.03.2025
	Assets out of Common Funds								
1	Furniture & Fixture	10%	3,14,877	-	-	(26,481)	2,88,396	45,299	2,43,097
2	Office Equipment	15%	73,754	1,91,076	-	-	2,64,830	15,035	2,49,795
3	Air Conditioner	15%	1,49,047	-	-	-	1,49,047	22,357	1,26,690
4	Computers	40%	3,91,324	87,500	-	(49,320)	4,29,504	1,71,802	2,57,702
5	Intengible Asset	25%				6,480	6,480	1620	4,860
6	Vehicle	15%	1,38,790	-	-	60,413	1,99,203	25,349	1,73,854
	Sub Total (A)		**10,67,791**	**2,78,576**	**-**	**(8,908)**	**13,37,459**	**2,81,462**	**10,55,997**

EU GT FUND FIXED ASSETS

S. No.	Name of the Assets	Rate	W.D.V as on 01.04.2024	Additions upto 30.09.2024	Addition after 30.09.2024	Sale/ Adjustment	Total	Depreciation for the Year	W.D.V as on 31.03.2025
1	Laptop	40%			2,19,244	-	2,19,244	-	2,19,244
	Sub Total (B)		-	-	**2,19,244**	-	**2,19,244**	-	**2,19,244**

Foundation for MSME Clusters ★ New Delhi ★

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NSB & ASSOCIATES ★ NEW DELHI ★ CHARTERED ACCOUNTANTS

Foundation for MSME Clusters

Foundation for MSME Clusters

SCHEDULES FORMING PART OF FINACIAL STATEMENTS AS AT 31.03.2025

(Amount in Rupees)

SCHEDULE - D : CURRENT ASSEST, LOANS & ADVANCES

Particulars		As at 31 March 2025		As At 31 March 2024
CASH & BANK balance				
Cash Balance			-	
Axis Bank A/c (DST Isted)-920010038225022	2,057		9,78,916	
Axis Bank A/c-357010100007429	18,42,745		89,61,286	
Axis Bank A/c -917010052007206	63,228		57,43,399	
Axis Bank A/c (NHPC)-918010084449655	9,60,881		1,01,388	
Axis Bank A/c (TERI)-920010037957337	79,532		39,973	
State Bank of India-39949266635	-		1,481	
Axis Bank A/c(MF) 915010055883722	28,46,123			
State Bank of India-39949266363	-		3,562	
State Bank of India (FCRA A/c)-39949266012	2,02,80,717		6,81,484	
Yes Bank A/c (CSR)-013694600000631	10,79,613		3,87,726	
Yes Bank A/c-006994600000492	-		59	
Yes Bank A/c-006994600000473	22,706		21,876	
Yes Bank A/c-006994600000423	15,252		14,805	
Axis Bank A/c (FCRA Utilization)-357010100042291	2,92,46,007	5,48,35,822	27,64,323	1,97,00,277
Axis Bank OD A/c-924030017512888	(16,03,038)			
Union Bank of India - 414502010104631	-	-	-	-
Union Bank of India -414501010037080	-	-	-	-
Fixed deposits-Yes Bank	12,50,000		12,50,000	12,50,000
Fixed deposits-Axis Bank	61,84,124	74,34,124	60,08,850	60,08,850
TOTAL	**6,22,69,946**	**6,22,69,946**		**2,69,59,127**
Loans & Advances				
Income tax deducted at source	54,60,309		38,02,848	
Security Deposits	6,97,192		6,55,192	
Advance to Staff	32,718		52,266	
Advance to consultants	5,63,509	**67,53,728**	-	**45,10,306**
Other Current Assets	-		-	
Project Receivables	-		-	
Receviable form SIDBI	80,000			
Interest accrued on FDR	2,38,366	**3,18,366**	83,892	**83,892**
			-	
Receivable	-			
Trade Receivable	1,97,47,567		2,79,28,897	
Receivable-Grant overspent Grants			79,03,178	
Advance to suppliers	-	1,97,47,567	1,163	**3,58,33,238**
Total	**1,97,47,567**			**6,73,86,564**

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Foundation for MSME Clusters

SCHEDULE - E : CURRENT LIABILITIES & PROVISION

Particulars		As at 31 March 2025		As At 31 March 2024
LIABILITIES				
Unspent Grant funds :				
Department of Science & Technology (DST)-ISTED			10,08,602	
Mahindra Finance(Dhan Samwad)	(2,504)			
UNPD -Expenditure	21,257			
Yes Bank Foundation	-			
HCL Foundation	-		-	
SAARC Development Fund	1,79,779		14,79,843	
European Union	(1,974)			
EU Switch Asia Green Threads	2,94,18,570			
EU -Switch Asia (Bamboo)	-			
The Asia Foundation	40,62,287			
Barkely University	8,34,841			
HSBC	(5,950)			
SDF- TA Component	(23,06,072)			
Friedrich Naumann Foundation (FNF)	87,198		88,343	
DANIDA	1,16,50,356			
CISCO	-		24,71,881	
		4,39,37,788		**50,48,668**
Co-Funding-Meghalaya	(3,607)		(3,607)	
SIDBI	-		-	
Provision for Consultancy Charges	2,60,297		2,60,297	
Gratutity Fund	13,73,262		12,19,146	
Audit Fees Payable	2,70,000		2,70,000	
Trade payable	-		31,48,878	
Payable to Employees	-		17,00,641	
Other	-		(3,919)	
EPFO	3,84,358		1,15,973	
Sundry Creditors-Suppliers/Vendors	28,29,407		21,88,205	
Advance to consultants/Staff	9,62,545		29,10,115	
GST payable	8,53,068		15,17,119	
Tax Deducted at Sources Payable	11,62,196	**80,91,525**	6,62,175	**1,39,85,023**
	-			
Provision for doubtful debts	3,41,804	3,41,804	20,56,804	20,56,804
Provision for Expenses	2,40,030	2,40,030	5,71,516	5,71,516
Total	**5,26,11,148**	**5,26,11,148**		**2,16,62,011**

Foundation for MSME Clusters New Delhi

Foundation for MSME Clusters New Delhi

NSB & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

Foundation for MSME Clusters

Sch- F	Establishment & Office expenses		
S. No.	Particulars	Year ended 31 March 2025	Year ended 31st March, 2024
1	Annual Retreat/Picnic/Quaterly Review Meeting Expenses	-	-
2	Bank Interest & Charges	1,64,950	2,00,698
3	Business Promotion Expenses	-	3,84,687
4	Bonus & reward	-	12,01,672
5	Human Resourse Development Expenses	-	-
6	Office repairs & AMC of Computers	2,06,125	1,82,332
7	Other Miscellaneous office Expenditure	35,852	2,06,549
8	Printing Postage & Couriers Charges	1,95,974	2,61,340
9	Consumable	-	-
10	Telephone, Fax & Internet Charges	62,137	1,37,327
11	Travelling & Exposure Visit Expenses	6,73,227	6,62,745
12	Office Expense	1,47,093	5,19,498
13	Job Posting & Recuretment	7,560	2,41,290
14	Meeting and Workshop	-	-
15	Un Recevored Balance W/f	-	26,581
16	Website Development Expenses	1,03,989	43,016
	Total	**15,96,907**	**40,67,735**

Sch- G	Other Project Expenses		
S. No.	Particulars	Year ended 31 March 2025	Year ended 31st March, 2024
1	Bihar Rural Livelihoods Promotion Society (BRLPS)	-	11,99,514
2	BMO Awards	-	13,75,430
3	Digital Saksham	31,38,037	38,00,758
4	Jharkhand Rural Livelihoods Promotion Society	4,35,651	5,71,414
5	KPMG Advisory Services Limited	9,75,135	21,80,676
6	NHPC-Assam	49,96,047	40,69,984
7	SFURTI Schemes (Nodal Agency)	12,93,573	1,89,577
8	SFURTI/KVIC/COIR Project	7,73,835	24,73,247
9	Vedanta Project	-	1,65,826
10	MSE, CDP	-	2,71,797
11	Kosala Hindalco	78,400	32,82,822
12	SIDBI CIP B2	93,91,997	32,39,730
13	SIDBI Moradabad	-	34,35,182
14	CGF	5,00,000	25,000
15	GBL	4,50,230	
16	Other Project Expenses	97,113	
17	CBS	10,35,893	6,91,116
	Total	**2,31,65,911**	**2,69,72,073**

Foundation for MSME Clusters New Delhi

NSB & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

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Sch- H	Interest Received from Banks		
S. No.	Particulars	Year ended 31 March 2025	Year ended 31st March, 2024
1	Saving Bank Interest	1,26,313	1,85,144
2	Interest Income related to previous years	44,31,532	
3	Interest on FD	5,05,460	5,48,581
	Total	**50,63,305**	**7,33,725**

SCH-I	MISCELLANEOUS RECEIPTS		
S. No.	Particulars	Year ended 31 March 2025	Year ended 31st March, 2024
1	Liability W/o	2,61,856	2,67,364
2	BMO Sponsorship	-	2,00,000
3	Miscellaneous Income	1,74,490	15,50,690
4	Interest from Income Tax	80,065	4,44,747
	Total	**5,16,411**	**24,62,801**

Foundation for MSME Clusters New Delhi

Foundation for MSME Clusters New Delhi

SSB & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

SCHEDULE - J : SALARIES				
Particulars		**Year ended 31 March 2025**		**Year ended 31st March, 2024**
Salaries Paid for the year	2,91,50,604		2,61,18,291	
Less : Salaries/Bonus Charged from Project Expenditure (Grant Mode)	2,37,65,188	53,85,416	1,53,38,318	1,07,79,973
Total		**53,85,416**		**1,07,79,973**

Sch K: NOTES FORMING PART OF FINANCIAL STATEMENT

A) SGNIFICANT ACCOUNTING POLICIES:

1) The trust prepares its accounts under Historical Cost Convention, ongoing concern basis and in Accordance with generally accepted accounting principles.

2) **Revenue Recognition:**

i. Income approach is adopted in recognizing grants matching with associated costs subject

- Compliance of Conditions and meeting the envisaged Obligation
- Reliable measurement of the grant committed and
- Probability of economic benefits flowing

ii. In respect of projects, income is recognized either on phase wise completion of the same or the completion of the project as may have been specified in the project contract and invoices are raised from time to time accordingly'

iii. In respect of interest on savings and fixed deposit bank accounts, income is recognized at the time of credit by the bank'

iv. Interest earned on grant is treated as part of grant amount, as per the terms of the grant contract.

3). Fixed Assets & Depreciation

i) Fixed assets are stated in the books at the historical cost inclusive of all incidental expenses incurred for acquisition of such assets.

ii) Depreciation is provided on the written down value at the rates prescribed under the income Tax Act, 1961 on the Fixed Assets belonging to FMC.

However, no depreciation was being charged on the fixed assets acquired from the EU-GT Project as these fixed assets are to be transferred to the final recipients of the action as per the terms of the Contract.

iii) Accounting policies not specifically referred to are consistent with the generally accepted accounting principles/policies.

Foundation for MSME Clusters MSME New Delhi

Foundation for MSME Clusters MSME New Delhi

NSB & ASSOCIATES NEW DELHI CHARTERED ACCOUNTANTS

(B) NOTES TO ACCOUNTS:

1) The Trust came in to Existence in the year 2005. The Trust provides services in respect of Micro, small & Medium Enterprises (MSME) development through cluster-based activities' the services of the Trust are particularly sought in the areas of energy, efficiency, capacity Building of industry Associations, fostering CSR among MSMEs, Policy and research, training of policy makers, Financial linkages and common facilities establishment'

2) Previous year's figures have been regrouped/rearranged wherever necessary to confirm to Current year's Presentation'

3) FMC had started a plan in the year 2013-14 for post-employment benefits in the form of Gratuity for employees who have completed five years of service, funded with Life insurance Corporation of India.

4) An amount of Rs. 98.20 lakhs relating to the EU Bamboo Project (2018–2022) has been directly charged to Reserves & Surplus in FY 2024–25, as the income and expenditure pertain to prior years. This treatment ensures the periodic matching of income and expenses.

For FOUNDATION FOR MSME CLUSTERS

Mr. Mukesh Gulati
Executive Director

Neelam Bachheti
Head -Finance & Accounts

FOR NSB & ASSOCIATES
Chartered Accountant
FR: 023043N

Jiwan Singh Mehta
Partner
M.No 530567

Place: New Delhi
Date: 27-09-2025

Foundation for MSME Clusters

Foundation for MSME Clusters

FCRA Receipt and Payment for Year ended 31st March, 2025

RECEIPTS	Year ended 31st March, 2025	PAYMENTS	Year ended 31st March, 2025
Opening Balances		Project Expense	4,33,23,147
Cash and Bank Balance			-
Cash in Hand	-		-
Balance with Banks	34,45,807		-
	-	-	
	34,45,807		-
		Sub - Total	**4,33,23,147**
Interest from Banks :			
Interst from Bank FCRA	7,57,812	**Closing Balances**	
			-
		Balance with Banks	4,95,26,726
FCRA DONATION	8,86,46,254		-
Total Rs.	**9,28,49,873**	**Total Rs.**	**9,28,49,873**

For FOUNDATION FOR MSME CLUSTERS

Mr. Mukesh Gulati
Executive Director

Neelam Bachheti
Head _Finance & Accounts

PLACE : NEW DELHI
DATE : 26/12/2025

As per our separate report of even date
NSB & Associates
Chartered Accountants
Firm Regn No. 023043N

CA.Jiwan Singh Mehta
Partner
M.No.530567

USO House, 2ND Floor, USO Road, Off Shaheed Jeet Singh Marg, 6 Special Institutional area, New Delhi - 110 067, INDIA
Tel (Off) : +91-11-40563323/24, Email: info@msmefoundation.org, Website : www.fmc.org.in

Foundation for MSME Clusters

Foundation for MSME Clusters

FCRA BALANCE SHEET AS AT 31st March, 2025

PARTICULARS		As At 31st March, 2025
SOURCES OF FUNDS		
CAPITAL FUND		-
Corpus Fund		-
Accumulated/Reserve Fund		2,80,452
Fixed Assets Funds		2,19,244
		-
		2,80,452
APPLICATION OF FUNDS		-
FIXED ASSETS		
Gross Block		2,19,244
Less: Depreciaton		-
Net Block		**2,19,244**
CURRENT ASSETS LOANS & ADVANCES	A	
Cash & Bank Balances		4,95,26,726
Loans & Advances		-
Receivables		-
Other Current Assets		-
		4,95,26,726
LESS : CURRENT LIABILITIES & PROVISIONS	B	
Current Liabilities, Provision & Unutilised Fund		4,92,46,273.88
		-
		4,92,46,274
Net Current Assets	(A-B)	2,80,452
Total C+(D-E)		0

For FOUNDATION FOR MSME CLUSTERS

Mr. Mukesh Gulati
Executive Director

Neelam Bachheti
Head _Finance & Accounts

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