

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
STARRED QUESTION NO. *389
TO BE ANSWERED ON: 19.03.2026

MSME ROADMAP ON EQUITY SUPPORT

*389. DR. LATA WANKHEDE:
SHRI MUKESHKUMAR CHANDRAKAANT DALAL:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the manner in which Micro, Small and Medium Enterprises (MSMEs) Roadmap on equity support, liquidity enhancement and compliance relief would be operationalised across the sector;
- (b) the specific reforms planned to improve equity access for MSMEs including avenues such as dedicated funds, co-investment mechanisms and listing support;
- (c) the steps being taken/proposed to be taken to strengthen liquidity for MSMEs including credit guarantee enhancements, working capital support and simplified financing channels;
- (d) the manner in which the compliance-related changes would reduce regulatory burden while ensuring transparency and ease of doing business for MSMEs; and
- (e) whether monitoring and evaluation mechanisms would be instituted to assess the implementation and effectiveness of the MSME Roadmap and if so, the details thereof and if not, reasons for the same?

ANSWER

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI JITAN RAM MANJHI)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY OF PART (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. *389 ON “MSME ROADMAP ON EQUITY SUPPORT” FOR REPLY ON 19.03.2026.

(a) to (e): In the Union Budget 2026-27, Government announced a three pronged approach to help Micro, Small and Medium Enterprises (MSMEs) grow as ‘Champions’ by providing equity, liquidity and professional support. In order to implement the Budget announcements 2026, to identify actionable recommendations, to operationalise the measures announced for strengthening MSME ecosystem, the Government of India has initiated consultations with stakeholders such as industry Associations, Central Public Sector Enterprises, Financial Institutions etc.

Self-Reliant India (SRI) Fund has been set up to infuse ₹50,000 crore as equity funding in MSMEs with a provision of ₹10,000 crore from the Government of India and ₹40,000 crore through Private Equity/Venture Capital Funds. To enhance equity access for MSMEs, further initiatives have been taken which are as given below:

- i. A dedicated ₹10,000 crore SME Growth Fund, to create future Champions, incentivizing enterprises based on select criteria.
- ii. Top up of Self-Reliant India Fund with ₹2,000 crore to continue support to micro enterprises and maintain their access to risk capital.

To strengthen liquidity for MSMEs, a number of initiatives have been taken by the Government of India which is as given below:

- i. Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs), implemented through the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), provides credit guarantees for loans extended to MSEs by Member Lending Institutions without collateral security or third-party guarantees. The scheme was revamped on 01.04.2023 after a ₹9,000 crore infusion into CGTMSE, raising guarantee coverage from ₹2 crore to ₹5 crore and reducing the Annual Guarantee Fee to as low as 0.37%. Further, from 01.04.2025, the Ministry of MSME increased the coverage limit to ₹10 crore and rationalized fees for guarantees above ₹1 crore.
- ii. Prime Minister's Employment Generation Programme provides Margin Money subsidy up to 35%, for setting up of new micro enterprises, in the non-farm sector with project cost of ₹50 lakh for Manufacturing and ₹20 lakh for Services enterprises.
- iii. PM Vishwakarma Scheme was launched on 17.09.2023 to provide end-to-end holistic support to artisans and craftspeople of 18 traditional trades who work with their hands and tools. The Scheme includes provision of collateral free loans up to ₹3 lakh with interest subvention of max up to 8%.
- iv. As informed by Reserve Bank of India (RBI), in terms of para 4.1 (a) of RBI Master Direction - Lending to Micro, Small & Medium Enterprises (MSME) Sector dated 24.07.2017, all Scheduled Commercial Banks are mandated not to accept collateral security in the case of loans up to ₹10 lakh extended to units in the MSE sector. As per RBI circular dated 09.02.2026, this limit stands increased to ₹20 lakh from 01.04. 2026.

- v. In order to facilitate faster payments and address the constraints faced by MSMEs in obtaining finance, particularly in terms of their ability to convert trade receivables into liquid funds, RBI had issued guidelines in December 2014 (updated on July 02, 2018) for the Trade Receivables Discounting System (TReDS)' permitting the non-bank entities to set up and operate an electronic platform for facilitating the financing of MSMEs' trade receivables through multiple financiers.

So far, five TReDS platforms are operational and these platforms have extended financial support to MSMEs by way of financing their invoices valued to Rs 8.29 lakh crore.

As informed by the Reserve Bank of India (RBI), during the last three financial years (2023-24 to 2025-2026, till 28.02.2026), a total of 1,46,179 Micro, Small and Medium Enterprises (MSMEs) have been onboarded on TReDS Platforms. It is also informed that one enterprise may be on boarded on more than one platform. Total invoice value finance amounting to Rs. 6,77,072.67 Crore has been financed, during the same period.

Through these initiatives, credit guarantee, capital support and simplified channels of financing have been provided to MSMEs.

To expand participation on TReDS platform for more liquidity to MSMEs in Budget Announcements 2026, the following four key measures have been announced:

- i. Mandate TReDS as the settlement platform for all purchases from MSMEs by CPSEs, setting a benchmark for other Corporate.
- ii. Introduce CGTMSE-backed credit guarantee support for invoice discounting on TReDS platform.
- iii. Integrate GeM with TReDS to enable information-sharing with financiers on government MSME purchases, facilitating faster and cheaper credit.
- iv. Introduce TReDS receivables as asset-backed securities to deepen the secondary market, improve liquidity, and speed up settlements.

Government has taken a series of measures to provide ease of doing business and reducing compliance burden while ensuring transparency for MSMEs across the country, which inter-alia includes launch of Udyam Registration Portal to facilitate ease of registration for MSMEs, launch of Udyam Assist Platform, for bringing Informal Micro Enterprises (IMEs) into the formal ambit and providing the benefits of Priority Sector Lending.

To help MSMEs meet compliance requirements at affordable costs, in the Budget Announcement 2026, facilitation of Professional Institutions to develop a cadre of 'Corporate Mitras', especially in Tier-II and Tier-III towns has been announced.
