# FINANCE MINISTER NIRMALA SITHARAMAN INTRODUCES A DEDICATED ₹10,000 CRORE SME GROWTH FUND, TO CREATE FUTURE CHAMPIONS, INCENTIVIZING ENTERPRISES BASED ON SELECT CRITERIA

## UNION BUDGET PROPOSES 4 MEASURES TO LEVERAGE FULL POTENTIAL OF TReDS FOR LIQUIDITY SUPPORT TO MSMEs

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Union Minister of Finance & Corporate Affairs, Smt. Nirmala Sitharaman said that the Government led by Prime Minister Narendra Modi, has decisively and consistently chosen action over ambivalence, reform over rhetoric and people over populism.

While presenting the Union Budget 2026-27 in Parliament today, she said that the Government is inspired by 3 kartavya, out of which the first kartavya is to accelerate and sustain economic growth, by enhancing productivity and competitiveness, and building resilience to volatile global dynamics.

Recognising MSMEs as a vital engine of growth, the Finance Minister proposed a three-pronged approach to help them grow as Champions under the first Kartavya.

First is the **Equity support** in which, she introduced a dedicated ₹10,000 crore SME Growth Fund, to create future Champions, incentivizing enterprises based on select criteria. She also proposed to top up the Self-Reliant India Fund set up in 2021, with ₹2,000 crore to continue support to micro enterprises and maintain their access to risk capital.

On the second approach of **Liquidity support**, the Finance Minister said that with TReDS, more than ₹7 lakh crore has been made available to MSMEs. To leverage its full potential, she proposed 4 measures: (i) mandate TReDS as the transaction settlement platform for all purchases from MSMEs by CPSEs, serving as a benchmark for other corporates; (ii) introduce a credit guarantee support mechanism through CGTMSE for invoice discounting on TReDS platform; (iii) link GeM with TReDS for sharing information with financiers about government purchases from MSMEs, encouraging cheaper and quicker financing; (iv) introduce TReDS receivables as asset-backed securities, helping develop a secondary market, enhancing liquidity and settlement of transactions.

On the **final approach of Professional support**, Smt.Nirmala Sitharaman pointed out that the Government will facilitate Professional Institutions such as ICAI, ICSI, ICMAI to design short-term, modular courses and practical tools to develop a cadre of ‘Corporate Mitras’, especially in Tier-II and

Tier-III towns. These accredited para-professionals will help MSMEs meet compliance requirements at affordable costs.

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