

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO. 1990
ANSWERED ON TUESDAY, 10th MARCH 2026/ 19 PHALGUNA 1947 (SAKA)

INTEREST SUBSIDY MECHANISM FOR MSMEs

1990. SHRI YERRAM VENKATA SUBBA REDDY

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Government has recently unveiled a new interest subsidy mechanism for MSMEs along with a corpus to guarantee loans to small businesses that export;
- (b) if so, the details thereof;
- (c) what would be the interest subvention that the said scheme is going to give to MSMEs and exporters from MSME sector; and
- (d) the duration of the said scheme?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d) The Export Promotion Mission (EPM), a flagship initiative of the Department of Commerce, has two sub-schemes *viz.* Niryat Protsahan and Niryat Disha to strengthen MSME exports and improve access to trade finance. Under Niryat Protsahan, the following two interventions related to interest subvention have been launched:

- i. The first intervention relates to interest subvention for pre- and post-shipment export credit, aimed at reducing the cost of export credit and easing working-capital constraints faced by MSME exporters. Under this intervention, interest subvention is provided on pre- and post-shipment rupee export credit extended by eligible lending institutions. A base interest subvention of 2.75 per cent is provided under the intervention, subject to a maximum of ₹ 50 lakh per Importer Exporter Code (IEC) for FY 2025–26.
- ii. Credit Assistance for E-Commerce Exporters- To support exporters using digital channels, structured credit facilities are being introduced with interest subvention and partial credit guarantees. Under this intervention, guarantee coverage of 75% and 90% is available depending upon the category of borrower and type of facility. Interest subvention of 2.75% is available, subject to an annual ceiling of ₹15 lakh per applicant.

Credit Guarantee Scheme for Exporters (CGSE) was introduced in November, 2025 for providing 100% credit guarantee coverage by National Credit Guarantee Trustee Company Limited (NCGTC) to Member Lending Institutions (MLIs) for extending additional credit facilities upto ₹ 20,000 crore to eligible exporters, including MSMEs. The scheme would be available from the date of announcement of the Scheme till issue of guarantees for loans amounting to ₹ 20,000 crore or 31.03.2026, whichever is earlier.

Further, Mutual Credit Guarantee Scheme for MSMEs (MCGS-MSME), *inter alia*, enables guarantee coverage for term loan assistance of upto ₹ 20 crore to well-run exporter MSMEs (engaged in manufacturing or service) for their projects involving purchase of equipment/ machinery. The scheme would be available for a period of 4 years from the date of issue of the guidelines.
