

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 4560
TO BE ANSWERED ON: 19.03.2026

FINANCIAL SUPPORT TO MSME's

4560. DR. D RAVI KUMAR:

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

- (a) the details of financial support provided to Micro, Small and Medium Enterprises (MSMEs) during the year 2023–24;
- (b) the details of export credit assistance extended to MSMEs during the year 2023–24;
- (c) the details of liquidity issues arise due to delayed payments to MSMEs; and
- (d) the steps taken to improve access to affordable finance for MSMEs?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

- (a): As informed by RBI, credit outstanding to Micro Small & Medium Enterprises (MSMEs) during the Financial Year 2023-24 was Rs. 23.93 lakh Crore.
- (b): In order to enable the cost-effective credit insurance, particularly to MSME exporters, and to stimulate export credit, the Export Credit Guarantee Corporation of India Ltd. (ECGC) has undertaken several initiatives in the recent past which inter-alia includes: -
 - i. Enhanced insurance cover for banks by ECGC under the Short Term Whole Turnover Export Credit Insurance for Banks (WT-ECIB) scheme up to 90% from the earlier average cover of 70% for small exporter accounts with aggregate export credit working capital limits up to ₹20 crore, ₹50 crore and ₹80 crore. This enables banks to extend export credit at lower interest rates applicable to highly rated accounts, thereby facilitating availability of adequate and cost-effective export credit to MSMEs.
 - ii. ECGC has also provided 90% insurance cover under WT-ECIB for collateral free working capital export credit limits up to ₹10 crore for Micro and Small Enterprise (MSE) exporters who are unable to offer collateral security or third-party guarantees. This facility is available across all sectors and commodities without any additional premium and enables banks to extend liberal export credit to MSEs.
- (c) & (d): In the recent past the liquidity issues of MSME was dealt with MSME SAMADHAN portal and the cases was decided by Micro and Small Enterprises Facilitation Councils (MSEFCs). Further, in order to expand the coverage of the liquidity issues Ministry of MSME, Government of India launched Online Dispute Resolution (ODR) Portal on 27.06.2025 as digital, technology-enabled mechanism to strengthen the existing SAMADHAN Portal, with the objective of ensuring speedy, cost-effective, and transparent resolution of delayed payment disputes.

Further to address the working capital issues, Government of India vide notification S. O. 4845(E) dated 07.11.2024 directed CPSEs and all companies with the turnover of Rs.250 Crore or more to on-board the Trade Receivables Discounting System (TReDS), an electronic platform for facilitating the discounting of trade receivables of MSMEs through multiple financiers. In this connection to unlock the potential of working capital of MSMEs through TReDS, platforms, the following four key measures have been announced in Budget Announcements 2026-27:

- i. Mandate TReDS as the settlement platform for 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 with GeM with TReDS to enable information-sharing with financiers on Government MSME purchases, facilitating faster and cheaper credit.
- iv. Introduce receivables as asset-backed securities to deepen the secondary market, improve liquidity, and speed up settlements.
