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Sub: Two Key Interventions Launched to Strengthen MSME Exports under Export Promotion Mission (1) Interest Support Launched for Pre-and Post-shipment Export Credit for MSMEs (2) Collateral Guarantee for Export Credit Launched as Second Intervention to Improve MSME Access to Finance

Dear Member,

As part of the initial rollout of the Export Promotion Mission, two key interventions under the NIRYAT PROTSAHAN sub-scheme have been launched to strengthen MSME exports and improve access to trade finance. A Press Release by the Ministry of Commerce & Industry dated 2nd January 2026 is issued in this regard ([copy enclosed](#)).

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 will be provided on pre- and post-shipment rupee export credit extended by eligible lending institutions. A base interest subvention of 2.75 per cent has been provided, with a provision for additional incentive for exports to notified under-represented or emerging markets, subject to operational readiness.

The interest subvention will be applicable only to exports covered under a notified positive list of tariff lines at the Harmonised System six-digit level, covering approximately 75 per cent of India's tariff lines and reflecting high MSME participation. An exporter-wise annual cap of ₹50 lakh per Importer Exporter Code (IEC) has been prescribed for FY 2025-26. The applicable rates will be reviewed bi-annually in March and September, taking into account domestic and global benchmarks.

DGFT has issued Trade Notice No. 20/2025-26 dated 2nd January 2026 in this regard ([copy enclosed](#)). Key details are as follows:

- Annexure-I: Detailed Guidelines for Interest Subvention on Pre- and Post-shipment Export Credit
- Annexure-II: Positive list of eligible HSN six-digit tariff lines
- Annexure-III: Step-by-step procedure for MSME exporters to file intent on the DGFT

portal

The second intervention under NIRYAT PROTSAHAN relates to collateral support for export credit, aimed at addressing collateral constraints faced by MSME exporters and improving access to bank finance.

Under this intervention, a collateral guarantee support for export credit is being introduced in partnership with the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). Guarantee coverage of up to 85 per cent will be provided for Micro and Small exporters and up to 65 per cent for Medium exporters, with a maximum outstanding guaranteed exposure of ₹10 crore per exporter in a financial year.

This intervention is designed to complement existing credit guarantee mechanisms and to increase bank lending to export-oriented MSMEs.

DGFT has issued Trade Notice No. 21/2025-26 dated 2nd January 2026 in this regard ([copy enclosed](#)). Key details are as follows:

- Annexure-I: Guidelines for collateral support
- Annexure-II: Eligible HSN six-digit tariff lines
- Annexure-III: Approved Member Lending Institutions
- Annexure-IV: Step-by-step procedure for MSME exporters to file intent on the DGFT portal

The two interventions will be implemented on a pilot basis with continuous monitoring and data-driven refinements. Through the Export Promotion Mission, the Government aims to lower the cost of exporting, expand access to finance, strengthen India's export brand and diversify export markets, thereby enabling Indian exporters, particularly MSMEs, to integrate more deeply into global value chains and contribute to sustained export-led growth.

The benefits of the Schemes will be available to MSME manufacturer exporters and also to merchant exporters. Please note that cotton yarn at the 6-digit level is also covered under the Schemes.

The Export Promotion Mission is jointly implemented by the Department of Commerce, Ministry of MSME and Ministry of Finance.

The Mission is structured around two integrated sub-schemes, namely NIRYAT PROTSAHAN, which focuses on enabling access to affordable and diversified trade finance, and NIRYAT DISHA, which supports nonfinancial enablers such as market access, branding, regulatory compliance, logistics and trade intelligence.

Members may take a note of the above.

Regards,

Dr. Siddhartha Rajagopal

Executive Director

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