

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION No. 2033
TO BE ANSWERED ON 07.08.2023

MSMEs CLOSURE

2033. SHRI RAGHAV CHADHA:

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

- (a) whether it is a fact that more than ten thousand MSMEs across the country have been closed during the financial year 2022-23 and if so, the details thereof;
- (b) whether Government has evaluated the reason for closure of such a large number of MSMEs in a single financial year;
- (c) if so, the details thereof including the impact that it would have on employment as MSMEs are one of the important job creators; and
- (d) whether Government is providing any support to the MSMEs which are on the verge of closing, with any financial assistance for their revival and if so, the details thereof?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) to (c): As on 01.08.2023, as per Udyam Registration Portal, the total number of MSMEs which were closed/shutdown during the financial year 2022-23 were 13,290 and the number of persons employed in those MSMEs were 90,692. Udyam Portal has the provision for cancellation of MSME Registration based on various reasons including shut down of business. During the same period, 27,23,459 new MSMEs have been incorporated and registered on Udyam Registration Portal with an employment of 1,67,03,604.

(d): The Government has taken various measures including ongoing schemes to ensure sufficient financial accessibility and seamless credit to Micro, Small and Medium Enterprises (MSMEs). Some of these include the following:

- Prime Minister's Employment Generation Programme (PMEGP) which is a major credit linked subsidy programme aimed at generating self-employment;
- Strengthen credit delivery system and to facilitate the flow of credit to the Micro and Small Enterprise sector without the hassles of collateral and third party guarantee up to a maximum of Rs. 5 crore through Credit Guarantee Scheme;
- Rs. 50,000 crore equity infusion through Self Reliant India (SRI) Fund;
- Launch of Udyam Assist Platform on 11.1.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit of MSME for availing the benefits under Priority Sector Lending;
- Inclusion of Retail and Wholesale traders as MSMEs for the purpose of availing Priority Sector Lending benefits, w.e.f. 02.07. 2021;
- Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs;
- Trade Receivable Discounting System (TReDS) to facilitate the financing of trade receivables of MSMEs from corporate and other buyers including government departments and public-sector undertakings (PSUs) through multiple financiers electronically;
- Co-Lending by Banks and NBFCs to Priority Sector.
