

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 2333
TO BE ANSWERED ON 16.12.2024

CLOSING OF MSME UNITS

2333. SHRI PRAMOD TIWARI:

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

- (a) the number of Micro, Small and Medium Enterprises (MSMEs) units closed during the last three years including the reasons therefor;
- (b) the details of top ten MSMEs employment generating States;
- (c) steps taken by Government to boost employment opportunities in the MSMEs sector and the impact thereof; and
- (d) whether there is high attrition rate in the sector, if so, the reasons therefor?

ANSWER

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

(a): A revised definition based on the twin criteria of investment and turnover, was adopted to define Micro, Small and Medium Enterprises (MSME) in 2020. Accordingly, for registration of enterprise having PAN, Udyam Registration Portal was launched on 01.07.2020. Udyam registration is voluntary and based on self declaration. As per Udyam Registration Portal, enterprises de-register on the portal due to a number of reasons such as change in the company owner, certificate not required, duplicate registration, shut down of enterprises and other such reasons. The details of shutdown of enterprises in the last three years are given below:

Year-wise shut down of enterprises for last three years			
Financial Year	2021-22	2022-23	2023-24
Number of Enterprises	6,222	13,290	19,828

(b): As per the data reported by enterprises based on self-declaration basis, the details of the top ten States in terms of employment are given in the following table:

Number of employment reported by MSMEs From 01.07.2020 to 10.12.2024		
Sl. No.	State	Employment reported
1	Maharashtra	2,50,57,445
2	Tamil Nadu	2,42,56,580
3	Uttar Pradesh	2,31,57,178
4	Karnataka	1,93,11,841
5	West Bengal	1,60,73,761
6	Rajasthan	1,34,18,105
7	Telangana	1,31,73,306
8	Gujarat	1,29,85,816
9	Andhra Pradesh	1,26,03,940
10	Bihar	1,06,03,804
Source: Udyam Portal and UAP		Report Dated:-11.12.2024 05:20 PM

(c) & (d): The details of initiatives being implemented to boost the MSMEs enabling employment opportunities in the MSMEs sector are as given below:

- i. New revised criteria for defining MSMEs.
- ii. “Udyam Registration” for MSMEs, for Ease of Doing Business w.e.f. 1.7.2020.
- iii. Rs. 50,000 crore equity infusion through Self Reliant India Fund.
- iv. Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme, for businesses, including MSMEs. The scheme was operational till 31.03.2023
- v. No global tenders for procurement up to Rs. 200 crores.
- vi. Launching of an online Portal “Champions” in June, 2020 to cover many aspects of e-governance including grievance redress and hand holding of MSMEs.
- vii. Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 2.7.2021.
- viii. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
- ix. Launch of Udyam Assist platform on 11.01.2023 to bring Informal Micro Enterprises under the formal ambit for availing the benefit under Priority Sector Landing.
- x. To enhance access to credit for MSMEs through digital platforms and other innovative mechanisms for facilitating MSMEs, Trade Receivables e Discounting System (TReDS), an electronic platform, facilitates the discounting of trade receivables of MSMEs through multiple financiers. To unlock their working capital by converting their trade receivables into cash the Government of India has announced to reduce the turnover threshold of buyers for mandatory onboarding on the TReDS platform from Rs. 500 crore to Rs. 250 crore. Notification S.O 4845 (E) to this effect has been issued by the Ministry of MSME on 07.11.2024.
- xi. In pursuance of Budget 2022-23 announcement, Udyam Portal has been interlinked with National Career Service, e-Shram and Skill India Digital portals for credit facilitation, skilling and recruitment.
- xii. To boost the employment opportunities, Government of India in the Union Budget 2024-25 has announced ‘Employment Linked Incentive’ Scheme.
