

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 2648
TO BE ANSWERED ON 24.03.2025

CLOSURE OF MSMEs AND IMPACT ON EMPLOYMENT

2648. SHRI MALLIKARJUN KHARGE:

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

- (a) the total number of Micro, Small and Medium Enterprises (MSMEs) that have shut down during the last five years, State/UT-wise and year-wise;
- (b) the total number of employees affected due to the closure of these MSMEs, State/UT-wise and year-wise;
- (c) whether Government has conducted any assessment on the reasons for MSMEs closures and if so, the details thereof; and
- (d) the measures taken by Government to support affected businesses and workers, including financial assistance, re-employment programs, and policy interventions??

ANSWER

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

(a) to (d): A revised definition based on the twin criteria of investment and turnover, was adopted to define Micro, Small and Medium Enterprises (MSMEs) in 2020 and for registration, Udyam Registration Portal (URP) was launched on 01.07.2020. On 11.01.2023, Udyam Assist Platform (UAP) was launched for informal micro enterprises which are exempted from GST filing. From 01.07.2020 to 15.03.2025, as many as 6.13 crore enterprises have registered on URP and UAP with declared employment generation of 26.09 crore. The State/UT-wise details of MSMEs which shut down during last five years, are given at Annexure - I. The number of MSMEs shut down as a proportion of the total registered since the revision in the definition on 01.07.2020 is 0.12%.

Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme, for businesses, including MSMEs was operational till 31.03.2023. As per a research report dated 23.01.2023 of the State Bank of India on Emergency Credit Line Guarantee Scheme, almost 14.6 lakh MSME accounts, of which about 98.3% of the accounts were in the MSEs categories, were saved from slipping into non-performing asset classification.

To support and strengthen the MSMEs Sector, the Government implements various measures, which inter-alia include measures for access to affordable credit, technology and marketing support. Some of them are as under:

- (i) Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs): CGS has a provision of collateral free loans of up to a limit of Rs. 500 lakh to MSEs with guarantee coverage up to 90%. The details of the number of guarantees provided and the amount of guarantees approved for MSEs under CGS are given below:

Duration	2000-01 to 2019-2020	2020-2021 to 2024-2025
Number of Guarantees Approved	43,53,591	64,81,482
Amount of Guarantees Approved (In Rs. crore)	2,28,704	6,55,987

- (ii) Prime Minister's Employment Generation Programme (PMEGP) provides Margin Money subsidy upto 35% for setting up of new micro enterprises in the non-farm sector with project cost of Rs. 50 lakh and Rs. 20 lakh for Manufacturing and Services enterprises respectively.
- (iii) Special Credit Linked Capital Subsidy Scheme (SCLCSS) provides 25% subsidy to SC/ST MSEs on institutional finance for procurement of Plant & Machinery/Equipment.
- (iv) PM Vishwakarma Yojana provides end-to-end support to artisans and craftspeople of 18 trades who work with their hands and tools which includes skilling, modern toolkits, subsidized credit support, marketing support, digital transaction incentives etc.
- (v) Pradhan Mantri Mudra Yojana provides loans up to Rs. 20 lakh to the non-corporate, non-farm small/micro enterprises.
- (vi) The network of Technology Centres / Tool Rooms in the country supports MSMEs in providing access to advance manufacturing technologies, training & skilling and business consultancy services to make them competitive. ZED 2.0 Scheme has been launched for improved efficacy of certification levels and for enhancing quality and competitiveness. To digitally empower MSEs, the Trade Enablement and Marketing Team Scheme has been launched.
- (vii) Public Procurement Policy for Micro and Small Enterprises Order, 2012, provides an assured market share to Micro and Small Enterprises (MSEs). Procurement and Marketing Support Scheme (PMSS) extends benefits to MSEs for gaining market access through participation in Trade Fairs/ Exhibitions, Vendor Development Programmes, adoption of Modern Packaging Technique, e-Commerce platforms, etc. The number of Enterprises benefitted under various components of PMSS is as follows:

Financial Year	No. of Enterprises benefitted	Expenditure (Rs. in Crore)
2020-21	3,276	12.48
2021-22	2,332	5.17
2022-23	22,998	27.49
2023-24	35,000	68.69

Some additional policy measures for promotion and development of MSME announced in Budget 2025 include the following:

- (i) For Startups, the guarantee coverage amount increased from Rs.10 crore to Rs. 20 crore.
- (ii) For well-run exporter MSMEs, credit guarantee for term loans up to Rs. 20 crore.
- (iii) A new Fund of Funds, with expanded scope and a fresh contribution of another Rs. 10,000 crore.
- (iv) A new scheme for 5 lakh women, Scheduled Castes and Scheduled Tribes first-time entrepreneurs for term loans up to Rs.2 crore during the next 5 years.

Annexure-I

Annexure referred to in reply of Rajya Sabha Unstarred Question No. 2648 for answer on 24.03.2025.

[illegible]

20	Madhya Pradesh	1	3	112	514	548	2,356	552	6,701	1,853	7,989
21	Maharashtra	3	12	1831	8,733	3,276	14,313	4,800	21,622	9,191	45,243
22	Manipur	-	-	-	-	62	478	33	240	183	1,028
23	Meghalaya	-	-	1	45	1	1	1	8	-	-
24	Mizoram	-	-	1	4	2	26	5	30	21	103
25	Nagaland	-	-	1	1	5	34	7	32	16	154
26	Odisha	1	1	118	2,912	212	1,170	431	2,877	856	6,067
27	Puducherry	-	-	8	247	39	298	56	235	114	502
28	Punjab	-	-	208	789	88	1,189	65	304	144	711
29	Rajasthan	11	51	312	1,294	1068	9,021	1,682	6,668	3,112	25,706
30	Sikkim	-	-	-	-	1	6	-	-	1	1
31	Tamil Nadu	2	4	591	2,571	1900	9,557	2589	14,088	4,658	41,905
32	Telangana	2	10	128	10,749	102	569	220	1,152	1,903	11,153
33	Tripura	-	-	8	23	6	89	10	48	26	143
34	Uttar Pradesh	20	86	494	2,536	1,110	17,451	1,444	11,642	1,332	12,538
35	Uttarakhand	1	3	32	143	202	5,908	234	1,571	415	1,880
36	West Bengal	17	94	153	757	363	2,409	686	3,915	1,478	8,592