

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 3465
TO BE ANSWERED ON 23.03.2026

SUPPORT TO MSMEs

3465. SHRI TIRUCHI SIVA:

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

- (a) whether it is a fact that forty-one thousand Micro, Small and Medium Enterprises (MSMEs) units have shut down in 2025-26;
- (b) if so, details of any assessment studies conducted to understand reasons for such large-scale shutting of industries;
- (c) steps being taken to support owners of such MSME units in establishing businesses again, if any;
- (d) details of any studies conducted to understand the impact of recent trade deals on market access for MSME units; and
- (e) steps being taken to protect market access for MSMEs amidst entry of foreign players in Government procurement markets?

ANSWER

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

(a) to (e): As per Udyam Registration portal, Enterprises de-register or show closure on the Portal due to a number of reasons such as change in the company owner, certificate not required anymore, duplicate registration and such other reasons. During the current Financial Year 2025–26 (Till 28.02.2026), 1.63 crore Micro, Small, and Medium Enterprises (MSMEs) have registered while only 58,403 MSMEs have closed or shut down, during the same period.

The steps taken by the Government to strengthen the MSMEs are as under:

- i. Emergency Credit Line Guarantee Scheme (ECLGS) of Rs.5 lakh crore was launched as part of Aatmanirbhar Bharat Abhiyan to support eligible MSMEs and business enterprises in meeting their operational liabilities and restarting their businesses.
- ii. Under Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) credit guarantee for loans extended to MSEs is provided. The guarantee coverage under the scheme is Rs 10 crore.
- iii. Rs. 50,000 crore equity infusion through Self Reliant India Fund.
- iv. Inclusion of Retail and Wholesale traders as MSMEs w.e.f. 02.07.2021 for Priority Sector Lending (PSL).
- v. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
- vi. Launch of Udyam Assist platform (UAP) on 11.01.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefit under PSL.
- vii. No global tenders for procurement up to Rs.200 crores.

The Government continuously undertakes stakeholder consultations and sectoral assessments while negotiating trade agreements. Inputs from MSME associations, export promotion councils and industry bodies are incorporated to ensure that market access opportunities for MSMEs are enhanced under trade agreements.

Government of India has taken steps to protect market access for MSMEs in Government procurement markets.

The Government has put in place a robust policy framework to safeguard and promote the interests of MSMEs in public procurement, inter alia, through the Public Procurement Policy for Micro and Small Enterprises (MSEs), 2012.

- i. **Mandatory procurement target:** All Central Ministries/Departments and Central Public Sector Enterprises (CPSEs) are required to procure at least 25% of their annual procurement from Micro and Small Enterprises (MSEs).
- ii. **Sub-targets within MSE procurement:** Out of the 25% target, 4% is earmarked for MSEs owned by SC/ST entrepreneurs and 3% for women entrepreneurs, ensuring inclusive participation.
- iii. **Price preference mechanism:** MSEs are provided price preference (L1+15% window), enabling them to match the lowest bid and secure a portion of the order, thereby protecting them from competitive disadvantages vis-à-vis large or foreign suppliers.
- iv. **Exemptions and facilitation:** MSEs are exempted from payment of Earnest Money Deposit (EMD) and tender fees, reducing entry barriers in Government tenders.
- v. **Preference to domestic suppliers:** Provisions under Public Procurement (Preference to Make in India) Order promote local content and domestic manufacturing, which indirectly safeguards MSMEs from undue competition from foreign players.
- vi. **Digital access through GeM:** The Government e-Marketplace (GeM) enhances transparency and provides MSMEs wider and easier access to Government procurement opportunities.
- vii. **Continuous monitoring:** Procurement performance of Central Public Sector Enterprises (CPSEs) is regularly monitored through MSME SAMBANDH Portal to ensure compliance with MSE procurement targets and to address challenges faced by MSMEs.
- viii. **Procurement and Marketing Support Scheme (PMSS)** of Ministry of MSME extends benefits for creating market access initiatives to Micro & Small Enterprises (MSEs) under various components such as Participation of Individual MSEs in Trade Fairs / Exhibitions, Vendor Development Program, adoption of Modern Packaging Technique, Bar Code, e-Commerce platform, etc.
