

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 3468
TO BE ANSWERED ON: 23.03.2026

REVIVAL OF SICK AGRO AND RURAL UNITS

3468. SHRI RYAGA KRISHNAIAH:

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

- (a) the measures taken by Government to revive sick agro and rural units;
- (b) the number of sick units closed during each of the last three years, State-wise and Union Territory-wise;
- (c) whether Government is planning to set up a Special Economic Cell for the revival of said industries;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

ANSWER

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

(a) to (d): The Central Government supplements the efforts of the State/UT Governments through various schemes, programmes and policy initiatives for development and promotion of Micro, Small and Medium Enterprises (MSMEs), including the units/enterprises established in rural areas, such as Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises- Cluster Development Programme, Raising and Accelerating MSME Performance, SRI Fund, PM Vishwakarma, etc.

Further, in order to strengthen, extend financial support, revive and reconstruct MSMEs in the country, including in rural India, Government of India has taken the various steps, which inter alia includes the following:

- i. To provide the credit, Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS), for businesses, including MSMEs was announced during COVID-19 pandemic. The Scheme was operational till 31.03.2023, wherein 1.13 crore guarantee were extended to MSMEs. As per a research report dated 23.01.2023 of the State Bank of India on ECLGS, almost 14.6 lakh MSME accounts, of which about 98.3 % of the accounts were in the Micro and Small Enterprises categories, were saved.
- ii. Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs.
- iii. Rs. 50,000 crore equity infusion through Self Reliant India (SRI) Fund, which has a provision of Rs.10,000 crore from Government of India and Rs. 40,000 crore through Private Equity / Venture Capital funds. This Scheme is aimed at providing growth capital to the deserving and eligible units of MSME sector.

- iv. To protect and extended relief to MSMEs from the adverse impact of the COVID-19 pandemic and to ensure the sustainability of their operations, the Ministry of Finance, Government of India vide O.M. No. F.1/1/2023-PPD dated 11.04.2023 introduced Vivad se Vishwas Scheme. In cases of failure by MSMEs to execute contracts during the Covid period, 95 per cent of the forfeited amount relating to bid or performance security, will be returned to them by government and government undertakings.
- v. Scheduled commercial Banks (SCBs) were mandated not to accept collateral security in the case of loans up to 10 lakh extended to units in the MSE sector. Banks have also been advised to strongly encourage their branch level functionaries to avail of the Credit Guarantee cover, including making performance in this regard a criterion in the evaluation of their field staff. The above limit has now been enhanced to 20 lakh which shall be applicable to all new loans to MSEs sanctioned or renewed on or after April 01, 2026.

The Ministry of MSME through Khadi and Village Industries Commission (KVIC), is implementing the Prime Minister's Employment Generation Programme (PMEGP). It is a central sector scheme aimed at generating employment opportunities primarily in rural areas by assisting prospective entrepreneurs in setting up new micro enterprises in the non-farm sector across the country.

PMEGP assists General Category beneficiaries with Margin Money (MM) subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to Special Categories such as Scheduled Castes, Scheduled Tribes, OBCs, Minorities, Women, Ex-servicemen, Physically Handicapped, Transgenders, beneficiaries belonging to Northeastern Region (NER), Hill and Border areas, and Aspirational Districts, the Margin Money subsidy is 35% in rural areas and 25% in urban areas. The number of Micro enterprises assisted across the country under PMEGP is given at Annexure-I.

The Ministry of MSME launched Udyam Registration Portal (URP) on 01.07.2020 to facilitate ease of registration for MSMEs across the country, including the units/enterprises established in urban and rural areas as well. Udyam Registration Portal does not classify the rural and urban MSMEs. The registration is fully online, paperless and based on self-declaration. A registered enterprise/unit becomes eligible to avail the benefit of various schemes of the Ministry of MSME, subject to eligibility criteria.

Since the launch of URP, a total of 7.82 crore MSMEs have registered as of 28.02.2026. 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. As per the Portal since 01.07.2020, 1.37 lakh Micro Small and Medium Enterprises (MSMEs) have closed/shut down. The number of MSMEs closed (1.37 lakhs) as a proportion of the registered MSMEs of 7.82 crore during the same period is 0.17 %. The details of closure of enterprises/units during the last three years are at Annexure- II.

The grievances of MSMEs are being addressed through CHAMPIONS Portal, launched in June 2020, an ICT based system, which operates Central Control Room and 69 State Control Rooms in hub and spoke model. Based on operational requirements, the scope of CHAMPIONS Portal has been expanded to Banks/ Financial Institutions/ Regional Rural Banks, and CPSEs, etc.

Annexure-I

Number of Micro enterprises assisted across the country under PMEGP during FY 2022-23 to FY 2024-25:

State	2022-23			2023-24			2024-25		
	No. of Units Assisted	MM Subsidy (Rs. Cr.)	Est. Employment	No. of Units Assisted	MM Subsidy (Rs. Cr.)	Est. Employment	No. of Units Assisted	MM Subsidy (Rs. Cr.)	Est. Employment
Andaman Nicobar	121	2.03	968	135	1.34	1080	61	0.96	488
Andhra Pradesh	3073	129.30	24584	5577	172.00	44616	3249	143.74	25992
Arunachal Pradesh	158	7.01	1264	169	17.65	1352	156	8.53	1248
Assam	2596	59.54	20768	2417	64.06	19336	3170	91.10	25360
Bihar	4459	121.23	35672	6837	191.76	54696	5035	150.45	40280
Chandigarh	15	0.45	120	10	0.22	80	5	0.25	40
Chattishgarh	2543	74.93	20344	2379	76.25	19032	1853	65.64	14824
Delhi	72	4.71	576	50	3.34	400	26	1.75	208
Goa	66	2.91	528	68	3.23	544	39	1.78	312
Gujarat	3071	241.83	24568	3000	321.25	24000	1783	203.64	14264
Haryana	1559	63.20	12472	1398	73.25	11184	788	42.78	6304
Himachal Pradesh	930	31.50	7440	974	36.48	7792	796	29.32	6368
Jammu & Kashmir	12023	239.94	96184	15065	282.50	120520	9863	239.41	78904
Jharkhand	1851	48.38	14808	2101	51.23	16808	1452	36.06	11616
Karnataka	5618	161.54	44944	4672	158.62	37376	2839	94.67	22712
Kerala	3129	73.29	25032	3389	78.82	27112	2260	58.96	18080
Ladakh	91	3.76	728	122	5.85	976	135	6.40	1080
Lakshadweep	2	0.02	16	0	-	0	0	-	0
Madhya Pradesh	5957	181.30	47656	5292	185.21	42336	2626	95.62	21008
Maharashtra	3625	132.03	29000	2766	122.05	22128	1857	105.02	14856
Manipur	545	14.63	4360	348	8.11	2784	608	15.08	4864
Meghalaya	306	6.66	2448	280	7.25	2240	1114	34.71	8912
Mizoram	412	13.54	3296	401	17.55	3208	484	15.90	3872
Nagaland	469	15.35	3752	517	29.18	4136	1262	36.03	10096
Odisha	3880	107.32	31040	2975	93.55	23800	1867	53.43	14936
Puducherry	25	0.66	200	30	0.97	240	38	1.11	304
Punjab	1564	72.51	12512	1469	90.88	11752	970	66.74	7760
Rajasthan	2037	114.19	16296	1678	124.06	13424	916	72.48	7328
Sikkim	57	1.31	456	132	4.49	1056	316	11.45	2528
Tamil Nadu	6140	178.92	49120	6814	198.72	54512	3949	121.15	31592
Telangana	2540	102.25	20320	2503	108.12	20024	1850	82.82	14800
Tripura	703	16.89	5624	588	14.44	4704	730	18.61	5840
Uttar Pradesh	11601	378.66	92808	11689	435.29	93512	5518	219.09	44144
Uttarakhand	1803	46.32	14424	1354	41.92	10832	734	24.12	5872
West Bengal	2126	74.09	17008	1919	74.23	15352	1359	53.21	10872
Total	85167	2,722.17	681336	89118	3,093.88	712944	59708	2,202.00	477664

Closure of MSMEs on Udyam Portal during last three FY				
Sl. No	State	2023-24	2024-25	2025-26
1	Andaman and Nicobar Islands	26	47	56
2	Andhra Pradesh	499	1,401	2,262
3	Arunachal Pradesh	2	-	67
4	Assam	47	46	1,536
5	Bihar	677	1,828	1,370
6	Chandigarh	12	31	69
7	Chhattisgarh	249	459	801
8	Delhi	203	139	218
9	Goa	61	89	154
10	Gujarat	2,307	3,534	4,860
11	Haryana	842	271	740
12	Himachal Pradesh	38	287	237
13	Jammu And Kashmir	241	566	1,235
14	Jharkhand	365	734	929
15	Karnataka	822	2,187	3,413
16	Kerala	591	1,157	1,787
17	Ladakh	3	15	15
18	Lakshadweep	-	1	5
19	Madhya Pradesh	552	1,961	2,619
20	Maharashtra	4,800	9,702	13,306
21	Manipur	33	186	217
22	Meghalaya	1	-	89
23	Mizoram	5	21	40
24	Nagaland	7	16	23
25	Odisha	431	875	1,645
26	Puducherry	56	119	123
27	Punjab	65	155	858
28	Rajasthan	1,682	3,274	4,590
29	Sikkim	-	1	79
30	Tamil Nadu	2,589	4,900	6,130
31	Telangana	220	1,981	2,609
32	The Dadra and Nagar Haveli and Daman and Diu	28	43	54
33	Tripura	10	26	69
34	Uttar Pradesh	1,444	1,368	2,781
35	Uttarakhand	234	448	672
36	West Bengal	686	1,578	2,745
	Total	19,828	39,446	58,403