

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 2482
TO BE ANSWERED ON: 10.08.2026

EFFECT OF ECONOMIC FACTOR ON MSMEs

2482. DR. MENAKA GURUSWAMY:

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

- (a) the number of MSMEs that have ceased operations or become inactive due to GST compliance, rising input costs and other economic factors;
- (b) whether Government has conducted any assessment in this regard; and
- (c) if so, the details thereof?

ANSWER

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

(a) to (c): The Ministry of Micro, Small and Medium Enterprises (MSME) launched Udyam Registration Portal on 01.07.2020. As on 31.07.2026, a total of 9.16 crore MSMEs are registered on the Portal. Out of these, 1.67 lakh MSMEs have closed/shut down and the number of MSMEs closed/shut down as a proportion of the total those, which have registered since the launch of the Portal, is 0.18 %. While submitting a request for cancellation of Udyam Registration, various reasons can be indicated by an enterprise such as change in the company owner, certificate not required, shut down of enterprise and others. The Portal does not capture any other reason of cancellation.
