

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION No. 2883**  
**TO BE ANSWERED ON 05.08.2021**

**Closed MSMEs**

2883. MS. S. JOTHIMANI:

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

- (a) the number of MSMEs registered in the country during the last five years;
- (b) the number of MSMEs which have closed down during the said period and the reasons therefor;
- (c) the number of MSMEs that have shut down due to economic distress between March 2020 and July 2021;
- (d) the steps taken by the Union Government to assist MSMEs post the onset of the COVID-19 pandemic; and
- (e) the steps taken by the Government to support MSMEs that are close to bankruptcy?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NARAYAN RANE)

(a): As per Udyog Aadhaar Portal, number of MSMEs registered (since September 2015 to 30.06.2020) in All India was 102,32,468.

On 1<sup>st</sup> July, 2020, after adoption of new definition of MSMEs, a new registration portal 'Udyam Registration' has been launched by M/o MSME and so far 41,37,443 classified MSMEs are registered on the portal in All India (from 01.07.2020 to 31.07.2021).

(b) & (c): As MSMEs are present in both formal and informal sector, data regarding temporary or permanent closure of the units are not maintained by the Government of India in Ministry of Micro, Small and Medium Enterprises (MSME).

Studies have been conducted by National Small Industries Corporation (NSIC) and Khadi and Village Industries Commission (KVIC) to assess the impact of COVID-19 Pandemic on MSMEs including units set up under Prime Minister's Employment Generation Programme (PMEGP).

A. The main findings of the online study conducted by NSIC to understand the operational capabilities and difficulties faced by the beneficiaries of NSIC schemes amid Covid-19 pandemic are as follows:

- i. 91% MSMEs were found to be functional.

- ii. Five most critical problems faced by MSMEs were identified as Liquidity (55% units), Fresh Orders (17% units), Labour (9% units), Logistics (12% units) and availability of Raw Material (8% units.)

B. The findings of the study conducted by KVIC are as under:

- i. 88% of the beneficiaries of PMEGP scheme reported that they were negatively affected due to Covid-19 while the remaining 12% stated that they were benefitted during Covid-19 Pandemic.
- ii. Among the 88% who were affected, 57% stated that their units were shut down for some time during this period, while 30% reported drop in production and revenue.
- iii. Among the 12% who had benefitted, 65% stated that their business increased as they had units in retail and health sector and around 25% stated that their units benefitted as they were dealing with essential commodities or services.
- iv. On the question of regular payment of salaries to the employees, around 46.60% respondents stated that they had paid the salaries in full, 42.54% reported to have partially paid and 10.86% reported to have not paid salary for some time during this period.
- v. Majority of the beneficiaries expressed the need for additional financial support, relaxation of waiver of interest and marketing support for their products.

(d): The Ministry of Micro, Small and Medium Enterprises (MSME) implement various other schemes for the growth and development of MSME sector in the country. These include Prime Minister's Employment Generation Programme (PMEGP), Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS) and SC/ST Hub.

Post Covid-19, Government has taken a number of initiatives under Aatma Nirbhar Bharat Abhiyan to support the MSME Sector in the country especially in Covid-19 Pandemic. Some of them are:

- i) Rs 20,000 crore Subordinate Debt for MSMEs.
- ii) Rs 3 lakh crores Collateral free Automatic Loans for business, including MSMEs.
- iii) Rs. 50,000 crore equity infusion through MSME Fund of Funds.
- iv) New revised criteria for classification of MSMEs.
- v) New Registration of MSMEs through 'Udyam Registration' for Ease of Dong Business.
- vi) No global tenders for procurement up to Rs. 200 crores.

All new and existing Micro and Small Enterprises engaged in manufacturing or services including trading activity are eligible to be covered under Credit Guarantee Scheme (CGS) implemented by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). CGTMSE has approved 4,35,520 guarantees for an amount of Rs. 30,168.57 crore during 2018-19, 8,46,650 guarantees for an amount of Rs. 45,851.22 crore during 2019-20, 8,35,592 guarantees for an amount of Rs. 36,899.39 crore during 2020-21.

Under Interest Subvention Scheme for Incremental Credit to MSMEs, number of beneficiaries and amount are 13,62,355 and Rs. 541.51 crore during 2019-20 and 9,08,860 and Rs. 431.07 crore during 2020-21.

As part of the Aatma Nirbhar Bharat Abhiyaan, under the Emergency Credit Line Guarantee Scheme (ECLGS), around 1.09 crore MSME borrowers have been provided with guarantee support amounting to Rs. 1.65 lakh crore as on 02.07.2021.

An online Portal “Champions” has been launched on 01.06.2020 by Hon’ble Prime Minister. This covers many aspects of e-governance including grievance redressal and handholding of MSMEs. Through the portal, total 35,361 grievances have been redressed upto 12.07.2021.

(e): The Reserve Bank of India issued guidelines on ‘Framework for Revival and Rehabilitation (FRR) of Micro, Small and Medium Enterprises’ to Scheduled Commercial Banks (excluding Regional Rural Banks) in March 2016, the concept of sickness no longer exists. Under the Framework, banks have been advised to identify incipient stress (well before the account turns in to sick category as per the earlier definition) in the MSME accounts and refer it to the Committees formed under the Framework for suitable Corrective Action Plan viz. rectification, restructuring and recovery. Bank-Group Category Wise data on FRR since the introduction of the guidelines till September 2020, is given below:

Sl. No.	For the half year	Accounts referred to the Committee during the half year (1)	Accounts resolved by the Committee during the half year (2)	Corrective Action Plan by the Committee (out of (2))		
				Rectification	Restructuring	Recovery
1	October 2016-March 2017	100803	137282	80905	2197	54180
2	April 2017-September 2017	87062	95107	58512	207	36388
3	October 2017-March 2018	130208	130473	81492	1024	47957
4	April 2018-September 2018	150165	123227	76172	201	46854
5	October 2018 to March 2019	142275	146519	78737	15425	52357
6	April 2019-September 2019	223786	201768	103729	14279	83760
7	October 2019-March 2020	339728	324621	71938	148369	104314
8	April 2020 to September 2020	751528	846371	180792	185876	479703

Source: As reported by Scheduled Commercial Banks

\*Number of cases resolved by the committees is more than the cases referred due to some pending cases with the committees at the beginning of the half year which have been resolved during the period.

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