

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 4542
TO BE ANSWERED ON 19.03.2026

SUSTAINABILITY OF MSMEs

4542. MS. PRANITI SUSHILKUMAR SHINDE:

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

- (a) whether it is a fact that nearly 79,000 Micro, Small and Medium Enterprises (MSMEs) have shut down between 2021–22 and 2024–25, with the number of closures increasing each year and if so, the details thereof, year-wise;
- (b) the main reasons identified by the Government for such closures, including issues relating to access to credit, rising input costs, compliance burden and market slowdown;
- (c) whether it is also a fact that the share of MSMEs in India's total Gross Value Added (GVA) has remained almost unchanged at around 29.6 per cent since 2014, despite repeated assertions that MSMEs are key drivers of growth and employment and if so, the details thereof; and
- (d) the steps taken by the Government to strengthen the sustainability, productivity and employment generation capacity of MSMEs and to prevent further closures?

ANSWER

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

(a) and (b): As per the Udyam Registration portal since 01.07.2020 till 28.02.2026, total 1.37 lakh Micro Small and Medium Enterprises (MSMEs) have closed/shut down while total 7.83 crore have MSMEs registered during the same period. The number of MSMEs shut down as a proportion of the total those which have registered since then is 0.17 %.

Whereas as per the portal data since 2021-22 to 2024-25 total 78,786 enterprises have been shut down. 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. The details of shut down of enterprises are given below:

Year	Total (No. of MSMEs Shut down)
2021-22	6,222
2022-23	13,290
2023-24	19,828
2024-25	39,446

(c): As per the Information provided by National Accounts Division (NAD), Ministry of Statistics and programme Implementation, the share of MSMEs in India's total Gross Value Added (GVA), since 2014-15 at current and constant prices is given below:

At constant prices (Figures in Rs. Crores)				
Year	Share of MSME GVA in All India GVA (in %)	Total MSME GVA	All India GVA	Share of MSME GVA in All India GVA (in %)
2014-15	32.2	31,78,165	97,12,133	32.7
2015-16	32.3	34,89,114	1,04,91,870	33.3
2016-17	32.2	37,69,625	1,13,28,285	33.3
2017-18	32.7	40,97,217	1,20,34,171	34.0
2018-19	33.6	44,40,227	1,27,33,798	34.9
2019-20	33.3	46,28,434	1,32,36,100	35.0
2020-21	29.7	39,85,736	1,26,87,345	31.4
2021-22	32.3	46,73,098	1,38,76,840	33.7
2022-23	33.0	50,66,033	1,48,78,028	34.1
2023-24	32.5	54,82,202	1,61,51,477	33.9

In the growing economy, the value of Total MSME GVA has increased from Rs. 31,78,165 crore in 2014-15 to Rs. 54,82,202 crore in 2023-24.

(d): The steps taken by the Government to strengthen the sustainability, productivity and employment generation capacity of 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 the Credit Guarantee Scheme (CGS) for Micro and Small Enterprises (MSEs) through Credit Guarantee Fund Trust for Micro and Small Enterprises to provide credit guarantee for loans extended to MSEs. The ceiling for 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.
- viii. 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.
