

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1553**  
TO BE ANSWERED ON 05.08.2024

**CLOSURE OF MSMEs**

1553. SHRI DEREK O' BRIEN:

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

- (a) the number of MSMEs which shut down operations between 2017 and 2019 and the details thereof;
- (b) whether this was due to the twin shocks of hasty GST implementation and demonetisation ;
- (c) the number of MSMEs which had to shut down during and post COVID-19 pandemic between 2020 and 2022; and
- (d) the number of MSMEs which have defaulted on loans in the last three years, year- wise ?

**ANSWER**

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

(a) to (c): The Ministry of MSME launched Udyam Registration Portal (URP) on 01.07.2020. As per data available on URP, 2,76,88,066 enterprises with employment of 18,16,91,585 have registered on the portal since its inception 01.07.2020. 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 number of MSMEs which shut down between 2020 and 2022 (From 01.07.2020 to 31.03.2022) were 6397.

(d): The Government has taken various initiatives to provide timely and adequate finances for MSMEs, which includes the following:

- Collateral free loan up to a limit of Rs. 500 lakh (w.e.f. 01.04.2023) to Micro and Small Enterprises with guarantee coverage up to 85 % for various categories of loan through Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) under Credit Guarantee Scheme. Since inception till 30.06.2024, a total of 91,76,248 guarantees amounting to Rs 6,78,326.81 crore have been issued.
- Under Prime Minister's Employment Generation Programme, credit linked subsidy for setting up new micro-enterprise in non-farm sector is provided. Margin Money subsidy ranging from 15% to 35% of project cost, for projects up to Rs. 50 Lakh in Manufacturing sector and Rs. 20 Lakh in the Service sector, is provided. For beneficiaries belonging to Special categories, including women, the margin money subsidy is 35% in rural areas and 25% in urban areas.

As per information received from Financial Inclusion and Development Department, Central Office, Reserve Bank of India, there is no information to furnish regarding the number of MSMEs which have defaulted on loan.

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