

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 3548
TO BE ANSWERED ON 10.08.2023

IMPACT OF DEMONETISATION AND GST ON MSMEs

3548. MS. S. JOTHIMANI:

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

- (a) whether there is a negative impact of Demonetisation and GST on the growth of Micro, Small and Medium Enterprises (MSMEs) in the country;
- (b) if so, the details thereof;
- (c) whether it is true that several MSMEs were shut down during the last three years and if so, the details thereof;
- (d) the details and the number of MSMEs shut down during the last three years, State and year-wise;
- (e) the details of MSMEs shut down in Tamil Nadu, district-wise;
- (f) the impact of shutting down of MSMEs on the employment rate in the country, especially for the State of Tamil Nadu; and
- (g) whether the Government is taking any steps to ensure that MSMEs continue to grow, especially in the state of Tamil Nadu and if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) & (b): The Ministry of MSME has not conducted any independent assessment of the impact of demonetisation and GST on the growth of MSME Sector. In fact, the MSME sector has shown resilience in terms of GST growth despite the COVID-19 disruptions as can be seen from the table below:

Figure IX.10: GST paid (in Rs. lakh crore) by MSMEs in FY22 crossed the pre-pandemic level			
	Micro	Small	Medium
FY19	2.1	0.8	1.8
FY20	2.2	0.9	1.9
FY21	2.0	0.9	1.8
FY22	2.3	1.0	2.0

Source: Economic Survey 2022-23

(c): As per Udyam Registration Portal, the total number of MSMEs which were closed/shut down during 01.07.2020 to 31.03.2023 are as follows:

Year	No. of MSMEs closed/shut down (as on 31.03.2023)
01.07.2020 to 31.03.2021	175
01.04.2021 to 31.03.2022	6,222
01.04.2022 to 31.03.2023	13,290
Total	19,687

(d): Details of MSMEs closed/shut down during the last three years, State and year-wise are at Annexure-I.

(e): The details of MSMEs closed/shut down in Tamil Nadu, district-wise are at Annexure –II.

(f): As per Udyam Registration Portal launched on 01.07.2020, the number of MSME which were closed/shut down during 01.07.2020 to 31.03.2023 was 19,687 and the number of persons employed in those MSMEs were 1,34,078. During the same period, 71,12,910 new MSMEs have been incorporated and registered on Udyam Registration Portal with an employment of 4,37,72,890.

In the same period, the number of MSME which were closed/ shut down during 01.07.2020 to 31.03.2023 in Tamil Nadu was 2,493 and the number of persons employed in those MSMEs was 12,132. During the same period, 7,23,522 new MSMEs have been incorporated and registered on Udyam Registration Portal with an employment of 43,19,187.

(g): The Ministry of MSME implements various schemes and programmes for the growth and development of MSME sector in the country on pan India basis, including State of Tamil Nadu. The schemes/programmes inter alia include Prime Minister's Employment Generation Programme (PMEGP), Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises-Cluster Development Programme (MSE-CDP), MSME Champions, Entrepreneurship Skill Development Programme (ESDP), Procurement and Marketing Support Scheme (PMSS) and National SC/ST Hub (NSSH).

Annexure- I

Annexure referred to in reply to part (d) of the Lok Sabha Unstarred question No. 3548 answered on 10.08.2023

State Wise Total MSMEs Closed/Shut Down & Employment Under Udyam Since Inception Till 31/03/2023									
Sl. No.	State	2020-21 (01/07/2020 - 31/03/2021)		2021-22		2022-23		Total	
		Total MSME	Total Employment	Total MSME	Total Employment	Total MSME	Total Employment	Total MSME	Total Employment
1	Andhra Pradesh	-	-	113	523	261	1,652	374	2,175
2	Arunachal Pradesh	-	-	-	-	1	4	1	4
3	Assam	-	-	8	89	28	123	36	212
4	Bihar	18	65	541	2,938	547	3,001	1,106	6,004
5	Chhattisgarh	4	27	64	340	134	583	202	950
6	Goa	3	4	5	10	17	38	25	52
7	Gujarat	67	302	492	2,632	1,074	4,843	1,633	7,777
8	Haryana	16	40	151	731	404	1,921	571	2,692
9	Himachal Pradesh	2	7	8	32	86	633	96	672
10	Jharkhand	-	-	134	719	251	1,829	385	2,548
11	Karnataka	4	8	272	1,295	534	4,205	810	5,508
12	Kerala	2	5	137	563	339	1,181	478	1,749
13	Madhya Pradesh	1	3	112	514	548	2,356	661	2,873
14	Maharashtra	3	12	1,831	8,733	3,276	14,313	5,110	23,058
15	Manipur	-	-	-	-	62	478	62	478
16	Meghalaya	-	-	1	45	1	1	2	46
17	Mizoram	-	-	1	4	2	26	3	30
18	Nagaland	-	-	1	1	5	34	6	35
19	Odisha	1	1	118	2,912	212	1,170	331	4,083
20	Punjab	-	-	208	789	88	1,189	296	1,978
21	Rajasthan	11	51	312	1,294	1,068	9,021	1,391	10,366
22	Sikkim	-	-	-	-	1	6	1	6
23	Tamil Nadu	2	4	591	2,571	1,900	9,557	2,493	12,132
24	Telangana	2	10	128	10,749	102	569	232	11,328
25	Tripura	-	-	8	23	6	89	14	112
26	Uttar Pradesh	20	86	494	2,536	1,110	17,451	1,624	20,073
27	Uttarakhand	1	3	32	143	202	5,908	235	6,054
28	West Bengal	17	94	153	757	363	2,409	533	3,260
29	Andaman And Nicobar Islands	-	-	9	28	12	40	21	68
30	Chandigarh	1	2	21	88	8	43	30	133
31	Delhi	-	-	210	1,097	470	5,079	680	6,176
32	Jammu And Kashmir	-	-	51	192	121	483	172	675
33	Ladakh	-	-	1	2	2	4	3	6
34	Lakshadweep	-	-	-	-	-	-	-	-
35	Puducherry	-	-	8	247	39	298	47	545
36	The Dadra And Nagar Haveli And Daman And Diu	-	-	7	65	16	155	23	220
Total:-		175	724	6,222	42,662	13,290	90,692	19,687	134,078

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Annexure referred to in reply to part (e) of the Lok Sabha Unstarred question No. 3548 answered on 10.08.2023

District Wise Total MSMEs Closed/Shut Down & Employment Under Udyam for Tamilnadu State Since Inception Till 31/03/2023			
Sl. No.	District	Total MSME	Employment
1	Ariyalur	18	78
2	Chengalpattu	50	302
3	Chennai	530	2,654
4	Coimbatore	257	1,182
5	Cuddalore	69	397
6	Dharmapuri	28	126
7	Dindigul	51	272
8	Erode	78	399
9	Kallakurichi	7	28
10	Kanchipuram	162	670
11	Kanniyakumari	72	260
12	Karur	15	60
13	Krishnagiri	47	285
14	Madurai	107	479
15	Mayiladuthurai	12	57
16	Nagapattinam	15	49
17	Namakkal	56	380
18	Perambalur	7	23
19	Pudukkottai	16	45
20	Ramanathapuram	20	106
21	Ranipet	11	61
22	Salem	90	513
23	Sivaganga	15	77
24	Tenkasi	19	102
25	Thanjavur	46	232
26	The Nilgiri	15	41
27	Theni	34	121
28	Thiruvallur	137	520
29	Thiruvarur	12	51
30	Tiruchirappalli	64	301
31	Tirunelveli	51	207
32	Tirupathur	2	7
33	Tiruppur	126	834
34	Tiruvannamalai	42	229
35	Tuticorin	44	197
36	Vellore	58	246
37	Villupuram	45	243
38	Virudhunagar	65	298
	Total:-	2,493	12,132
Report Dated:- 08/08/2023 08:05 PM			