ECONOMY AND YOU

EXECUTIVE SUMMARY · 24 NOVEMBER 2026

MSMEs under the BJP: enterprise and self-employment under pressure

Highest in the six years of the Government's Udyam record, 2020-21 to 2025-26. In 2025-26, up to 28 February 2026, 58,403 MSMEs were recorded as closed or shut down, nearly three times the 19,828 of 2023-24.

An evidence-based assessment of business setbacks, policy shocks and delivery failures

Source: Rajya Sabha Unstarred Question 3462, answered on 23 March 2026, year-wise table, repeated in Unstarred Question 4089 of 30 March 2026; Udyam Registration Portal and Udyam Assist Platform. The 2025-26 count covers eleven months..

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Evidence checked to 23 November 2026

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The findings

MSME closures recorded by the Government rose in every year of its Udyam record. Its year-wise table counts 19,828 MSMEs closed or shut down in 2023-24, 39,446 in 2024-25 and 58,403 in 2025-26 up to 28 February 2026, the highest of the six years from 2020-21. Separately, the Government's account table shows MSME loan accounts at scheduled commercial banks, excluding regional rural banks, falling from 257.45 lakh in 2023-24 to 241.68 lakh in 2025-26, which is 15.77 lakh fewer accounts. [RS Unstarred Question 3462, 23 March 2026, year-wise table; LS Unstarred Question 787, 23 July 2026, Annexure II, Total row.]

The BJP years contain documented setbacks. An RBI-hosted study by Harendra Behera and Garima Wahi found that demonetisation deepened an existing slowdown in MSME credit. It also linked the GST transition to export pressures through delayed refunds and blocked working capital. The same study recorded a later credit recovery and did not find a significant overall GST effect on credit. The research is dated, and its authors make no finding of permanent sector-wide damage. [Mint Street Memo 13,17 August 2018, abstract and conclusion.]

The financial damage was visible in firms' own reports of the pandemic period. A ministry-commissioned SIDBI survey of 1,029 MSMEs found that more than half of respondents reported a revenue fall exceeding 25% in FY 2020-21, while around 66% reported lower profitability. These were respondent outcomes, not a national closure census or an isolated estimate of lockdown policy. [Lok Sabha Starred Question 32, 3 February 2022, PDF page 2.]

Later records show continuing weaknesses beyond credit. ASUSE reports a 2.29% nominal decline in value added per other-services establishment between its 2023-24 and 2025 rounds. These different measures do not identify how many distinct entrepreneurs lost viable businesses. [ASUSE 2025, Figure 17.]

The BJP Government must answer for documented policy disruption and persistent failures in payments, access to finance, compliance and investment support. The central test is whether productive self-employment supports a viable business, with sales, retained earnings, affordable finance and capacity to survive.

Raw ASUSE analysis places 87.5% of the 58.47 lakh net establishment increase in establishments reporting no outstanding business loan from any source. The share of covered establishments with an outstanding commercial-bank business loan fell from 4.08% to 3.80%. The expansion of enterprise activity has therefore not brought a similar rise in this reported borrowing category.

Sources: [1] MoSPI, Annual Survey of Unincorporated Sector Enterprises 2025, full report, 2026-05-06. [2] Behera and Wahi, How have MSME Sector Credit and Exports Fared?, RBI Mint Street Memo13, 2018-08-17, Abstract; sectionIII andTable3; sectionIV conclusion. [3] Lok Sabha Starred Question 32: Impact of COVID-19 pandemic on MSME sector, 2022-02-03, PDF page 2, statement (a) to (d). [4] Rajya Sabha Unstarred Question 1855: Closure of MSMEs in the country, 2025-03-17, PDF page 1, answer; PDF page 3, Annexure I, total row. [5] Access to Formal Credit for MSMEs, 2026-07-23, Annexure II, PDF page 4, national Total row and source note; question/answer page 1. [6] MoSPI ASUSE 2023-24 native unit-level CSV, Publisher native CSV release; accessed 19 October 2026, Block 2; Block 11 source-wise loans, code 1103; annual MLT/100. [7] MoSPI ASUSE 2025 native unit-level CSV, Publisher native CSV release; accessed 19 October 2026, Block 2; Block 11 source-wise loans, code 1103; annual MLT/100.

BANK CREDIT AND ENTERPRISE NUMBERS

Why more establishments can coexist with fewer loan accounts

RBI priority-sector returns show 1.47 lakh fewer MSME loan accounts in FY 2025-26, a net stock decrease, while ASUSE's 2025 round counts more covered establishments than its 2023-24 round. Accounts are not distinct businesses. ASUSE raw data show that 99.7% of its net establishment increase is outside reported outstanding commercial-bank business borrowing. The covered populations, periods and loan categories differ, and neither series measures gross business closures.

Measure	Earlier observation	Later observation	What the change means
RBI MSME loan accounts; SCBs excluding RRBs	243.15 lakh; FY 2024-25	241.68 lakh; FY 2025-26	Net fall of 1.47 lakh, or 0.60%; not gross closures

> Publish distinct-borrower and matched enterprise evidence, with new lending access, repayments, renewals, closures and classification movements shown separately. Establish whether the expanding enterprise population is obtaining suitable finance; neither headline alone answers that question.

Loan accounts, unique borrowers, establishments and statutory MSMEs are different units. The two populations are not matched. Do not divide these totals to manufacture a formal-credit coverage rate or treat the net account fall as enterprise closures.

Sources: [1] Access to Formal Credit for MSMEs, 2026-07-23, Annexure II, PDF page 4, national Total row and bank-coverage source line; answer dated 23 July 2026. [2] MoSPI, ASUSE 2025 Factsheet, 2026-03-24, PDF pages 3-6: survey coverage and periods, changed sampling design, published 7.97% growth and Table 1; establishments are reported in hundreds. [3] MoSPI, Annual Survey of Unincorporated Sector Enterprises 2025, full report, 2026-05-06. [4] Gazette S.O.1364(E), MSME classification amendment, 2025-03-21, PDF p2, paragraphs1-2. [5] MoSPI ASUSE 2023-24 native unit-level CSV, Publisher native CSV release; accessed 19 October 2026, Block 2; Block 11 source-wise loans, code 1103; annual MLT/100. [6] MoSPI ASUSE 2025 native unit-level CSV, Publisher native CSV release; accessed 19 October 2026, Block 2; Block 11 source-wise loans, code 1103; annual MLT/100.

ASUSE BUSINESS BORROWING

What raw ASUSE shows about business borrowing

Most establishment growth is outside reported commercial-bank debt.

Between 2023-24 and 2025, the covered establishment population increased by 58.47 lakh. Establishments without reported outstanding commercial-bank business loans account for 99.7% of that net increase; those reporting no outstanding business loan from any source account for 87.5%.

The share of covered establishments with commercial-bank debt fell from 4.08% to 3.80%, as the overall establishment count rose. These survey changes do not identify matched new entrants or demonstrate loan refusal.

Outstanding business borrowing	Net change (lakh)	Share of net increase
Commercial-bank borrowing	0.18	0.31%
Other institutional borrowing, no commercial-bank borrowing	0.46	0.78%
Non-institutional only	6.69	11.44%
No outstanding business loan reported	51.14	87.46%
Incomplete loan amount	0.00119	0.002%

The groups divide the net change in weighted populations; they do not trace individual establishments.

Commercial-bank code 1103 excludes cooperative banks/societies and bank-routed government-scheme loans. A broader exclusion including these two categories still accounts for 97.3% of the net increase. Personal loans are excluded. Periods and designs differ; these are point estimates without a completed design-based significance test.

Sources: [1] MoSPI ASUSE 2023-24 native unit-level CSV, Publisher native CSV release; accessed 19 October 2026, Block 2; Block 11 source-wise loans, code 1103; annual MLT/100. [2] MoSPI ASUSE 2025 native unit-level CSV, Publisher native CSV release; accessed 19 October 2026, Block 2; Block 11 source-wise loans, code 1103; annual MLT/100. [3] MoSPI, Annual Survey of Unincorporated Sector Enterprises 2025, full report, 2026-05-06.

ASUSE BUSINESS BORROWING

Credit and the historical enterprise record

More establishments do not establish wider suitable bank finance.

Average outstanding business loans per covered establishment fell from Rs 53,710 to Rs 42,776, or 20.4% in nominal terms. Supplier/contractor borrower establishments rose from 10.87 lakh to 19.99 lakh. Lender counts overlap; loan stocks are not disbursements.

Raw NSS weights, applied in R, reproduce the published enterprise counts for 2010-11 and 2015-16. Units, coverage and loan instructions differ, so the NSS and ASUSE observations do not form a continuous annual or matched survival series.

The policy demand is for suitable finance to accompany enterprise expansion. RBI should disclose distinct borrowers and account movements, while MoSPI should publish comparable source-wise borrowing tables. The cited RBI account decline cannot be described as a count of businesses that closed.

Measure	Earlier	Later
ASUSE outstanding loan average, all establishments	Rs 53,710; 2023-24	Rs 42,776; 2025
ASUSE supplier/contractor borrowers	10.87 lakh; 2023-24	19.99 lakh; 2025

Different financial measures answer different questions; an account stock cannot be converted into an establishment closure count.

Historical enterprise coverage and wording are preserved. No 2014 baseline, missing-year value or policy-caused closure total is inferred.

Sources: [1] MoSPI ASUSE 2023-24 native unit-level CSV, Publisher native CSV release; accessed 19 October 2026, Block 2; Block 11 source-wise loans, code 1103; annual MLT/100. [2] MoSPI ASUSE 2025 native unit-level CSV, Publisher native CSV release; accessed 19 October 2026, Block 2; Block 11 source-wise loans, code 1103; annual MLT/100. [3] MoSPI, Annual Survey of Unincorporated Sector Enterprises 2025, full report, 2026-05-06. [4] MoSPI NSS 67, 2010-11 native unit-level CSV, Publisher native CSV release; accessed 19 October 2026, Blocks 2 and 11; released combined-subsample weights. [5] MoSPI NSS 73, 2015-16 native unit-level CSV, Publisher native CSV release; accessed 19 October 2026, Both semi-rounds; Block 2 and source-wise loans; Weight_SC/2 for the annual estimate. [6] MoSPI, NSS 67 Key Results, Unincorporated Non-Agricultural Enterprises, 2010-11, July 2010 to June 2011 survey, Statement 1, printed page 10, PDF page 15; counts in thousands. [7] NSS Report 582, Economic Characteristics of Unincorporated Non-Agricultural Enterprises, 2015-16, NSS Report 582, 73rd round July 2015 to June 2016; published 2018, PDF pages 10 and 56; all-India enterprise estimate; construction excluded.

SECTOR COMPARISONS IN R

Sector comparison: fixed activities, remaining survey breaks

The comparison fixes the industries and the survey scope before any count is compared.

On a fixed NIC 2008 scope excluding cooperatives, manufacturing, trade and selected non-financial services are compared across six rounds. The NSS enterprise/ASUSE establishment break remains.

All 18 native sector controls reproduce at MoSPI publication precision before exclusions. ASUSE cooperatives are removed to match NSS scope. Selected services omits finance, water supply, membership organisations and intellectual-property leasing in every round. Electricity and residential letting are also excluded.

Sector	Fixed scope in every round
Manufacturing	NIC 2008 divisions 10-33 plus cotton ginning 01632
Trade	NIC 2008 divisions 45-47, including motor-vehicle repair
Selected services	Non-financial services; finance, water supply, membership organisations and intellectual-property leasing are excluded
Excluded in all sectors	ASUSE cooperatives (ownership code 8); electricity and residential letting 68108

Counts in lakh, calculated in R from released microdata and survey weights. All three sectors exclude cooperatives: ASUSE ownership code 8 is removed to match NSS scope. Services uses a fixed, narrower non-financial industry list. The counts are for survey-covered units, not all statutory MSMEs.

NSS counts enterprises; ASUSE counts establishments. Fixed industry coverage improves comparability but does not remove unit, geography, sampling-frame or reference-period breaks. No missing year is interpolated. The common-sector population and borrowing counts are survey-covered units without an MSME size filter. Statutory ceilings are assessed separately in the constant-limit classification calculation; do not label the earlier totals as all statutory MSMEs.

Sources: [1] 2010 MoSPI NSS report 549, Publisher documentation for the stated survey round; read 19 October 2026, PDF pages 22, 23, 24, 25. [2] 2015 MoSPI Ins Chap 1 Nss73, Publisher documentation for the stated survey round; read 19 October 2026, PDF pages 2, 3, 4, 5, 6. [3] MoSPI ASUSE 2025, ownership scope and Schedule ESU codes, Publisher documentation for the stated survey round; read 19 October 2026, PDF pages 28, 1165; cooperatives included, ownership code8.

SECTOR COMPARISONS IN R

Earlier rounds: qualified windows, not one annual series

The older packages strengthen the record when their coverage is retained.

The earlier comparisons use the released weights in R. Manufacturing is selected within two windows; services uses an identical selected NIC 1998 list and proprietary/partnership ownership. No year or missing sector is filled in.

The 1990-91 trade baseline is 139.08 lakh wholesale, retail and other trading enterprises. It cannot be compared directly with later trade rows, which use a different survey, scope and industry classification. The 1989-90 and 1999-2000 release discrepancies remain unresolved. The Internal Report keeps the exclusions, native counts and field mappings.

Window and selected scope	Earlier (lakh)	Later (lakh)
Manufacturing core, OAME/NDME: 1989-90 to 1994-95	140.02	119.19
Manufacturing core, proprietary/partnership: 1999-2000 to 2005-06	141.53	169.52
Selected services, proprietary/partnership: 1999-2000 to 2001-02	69.01	95.03

Each row is its own selected window. The rows are not linked to one another or to the modern NIC 2008 series.

Residual unit, legal-form, frame, geography, field-period and sampling-design breaks prevent a perfectly constant all-India long-run series. No causal or statistically significant fall is claimed from these point estimates. The common-sector population and borrowing counts are survey-covered units without an MSME size filter. Statutory ceilings are assessed separately in the constant-limit classification calculation; do not label the earlier totals as all statutory MSMEs.

Sources: [1] 2005-06 MoSPI Report 524, Publisher documentation for the stated survey round; read 19 October 2026, PDF pages 8, 20, 21. [2] 2002 MoSPI NSS 57 483 final, Publisher documentation for the stated survey round; read 19 October 2026, PDF pages 10, 17, 23, 24, 25. [3] MoSPI NSS Report 396/1, own-account and non-directory manufacture 1989-90, Original MoSPI survey report, survey period in title, Report 396/1, NSS45 July 1989-June 1990; PDF pages 8 and 12: industry 99 note and paragraph 3.1, 157.31 lakh; own-account and non-directory manufacture. [4] MoSPI NSS Report 459, Informal Sector in India 1999-2000, Salient Features, Original MoSPI publication; source accessed19October2026, PDF pages 28-29: revision from Report 456 after excluding 12 unusable records; Statement 3 national total 44412.43 thousand.

SECTOR BORROWING ON COMMON COVERAGE

Recent sector increases outside commercial-bank debt

Most of the sector increase is outside reported commercial-bank debt.

Between ASUSE 2023-24 and 2025, the manufacturing establishments with reported commercial-bank debt fall by about 0.04 lakh, so the part of the net change outside that debt is 100.3%.

For trade, 96.8% of the net change is outside reported commercial-bank debt, and for selected services 98.5%. A contribution above 100% is valid when the bank-borrower count declines.

Sector	Share of net increase	Bank-borrower change (lakh)
Manufacturing	100.3%	-0.04
Trade	96.8%	+0.45
Selected services	98.5%	+0.40

Bank means reported outstanding commercial-bank loans under source 1103. It excludes cooperative banks/societies and government-sanctioned loans routed through banks. Counts are of survey units. They do not count loan accounts or matched newly born businesses. The population is the same fixed NIC 2008 manufacturing, trade and selected non-financial service coverage, excluding ASUSE cooperatives. Small explicit missing amounts are retained as uncertain status. Displayed sums can differ through rounding.

These are differences between weighted populations. They do not trace the loan histories of the same establishments. Both rounds explicitly exclude personal loans even when used for business. Field periods and 2025 sampling design differ. No confidence interval, loan-refusal or causal closure claim follows. The common-sector population and borrowing counts are survey-covered units without an MSME size filter. Statutory ceilings are assessed separately in the constant-limit classification calculation; do not label the earlier totals as all statutory MSMEs.

Sources: [1] MoSPI ASUSE 2023-24, Instructions to Field Staff, Volume I, Block11, Publisher supporting documentation for the named survey round; read19October2026, PDF pages 140, 141, Block11; source1103, government routing, cooperative banks/societies; amount and interest instructions. [2] MoSPI ASUSE 2025, Instructions to Field Staff, Volume I, Block11, Publisher supporting documentation for the named survey round; read19October2026, PDF pages 143, 144, 145, Block11; source1103, government routing, cooperative banks/societies; amount and interest instructions. [3] MoSPI ASUSE 2025, ownership scope and Schedule ESU codes, Publisher documentation for the stated survey round; read 19 October 2026, PDF pages 28, 1165; cooperatives included, ownership code8.

SECTOR BORROWING ON COMMON COVERAGE

Sector borrowing: 2015-16 to 2025, with definition breaks

The longer comparison also shows increases outside commercial-bank debt.

On the same selected industry and non-cooperative scope, the count of reported bank-borrower manufacturing units declines by 0.61 lakh between 2015-16 and 2025, and for trade by 1.27 lakh. Their contributions outside commercial-bank debt are 103.4% and 111.1% of the net change.

For selected services, 99.5% of the net change is outside reported commercial-bank debt, and its bank-borrower count rises about 0.51 lakh. Small changes in uncertain-status weights complete the accounting identity.

Sector	Share of net increase	Bank-borrower change (lakh)
Manufacturing	103.4%	-0.61
Trade	111.1%	-1.27
Selected services	99.5%	+0.51

Bank means reported outstanding commercial-bank loans under source 1103. It excludes cooperative banks/societies and government-sanctioned loans routed through banks. Counts are of survey units. They do not count loan accounts or matched newly born businesses. The population is the same fixed NIC 2008 manufacturing, trade and selected non-financial service coverage, excluding ASUSE cooperatives. Small explicit missing amounts are retained as uncertain status. Displayed sums can differ through rounding.

This is a qualified historical comparison: NSS counts enterprises and ASUSE establishments. The 2023-24/2025 instructions explicitly exclude personal loans used in business; identical wording is not established for earlier rounds. Reference dates, frames, geography and designs also differ. These figures do not certify a constant-definition ten-year credit-access trend. The common-sector population and borrowing counts are survey-covered units without an MSME size filter. Statutory ceilings are assessed separately in the constant-limit classification calculation; do not label the earlier totals as all statutory MSMEs.

Sources: [1] MoSPI NSS 73 2015-16 Schedule2.34, Block11, Publisher supporting documentation for the named survey round; read19October2026, PDF pages 22; source1103 commercial banks; amount column3 and separate interest column4. [2] MoSPI ASUSE 2025, Instructions to Field Staff, Volume I, Block11, Publisher supporting documentation for the named survey round; read19October2026, PDF pages 143, 144, 145, Block11; source1103, government routing, cooperative banks/societies; amount and interest instructions. [3] 2015 MoSPI Ins Chap 1 Nss73, Publisher documentation for the stated survey round; read 19 October 2026, PDF pages 2, 3, 4, 5, 6.

BUSINESS HEALTH

How to assess the health of MSME businesses

Business-health test	Evidence used here	What remains unmeasured
Liquidity and working capital	Pending payment claims and a dated Government-buyer overdue balance	Actual supplier receipts, collection times and the share of firms under cash stress
Credit availability	RBI account stocks, MUDRA annual accounts and DRSC branch findings	Distinct borrowers, unmet applications and reasons for account changes
Cost of finance and compliance	DRSC evidence on charges, collateral and implementation; payment-law duties	A current representative all-MSME effective borrowing-cost and compliance-cost distribution
Fiscal treatment	Ministry budget execution, scheme provisions and corporate-tax context	Direct scheme benefits and effective tax incidence by legal MSME size and legal form
Market access and investment	CPSE procurement shares and technology-centre delivery	Orders, sales, capacity utilisation and investment outcomes for beneficiary firms
Profitability, productivity and solvency	SIDBI respondent revenue and profit setbacks in FY 2020-21; ASUSE other-services GVA per establishment	No representative current all-MSME profit-margin, debt-service or insolvency series is established by this study
Enterprise survival	Udyam shutdown deregistrations rose in a dated table; later answers list broader administrative reasons	Verified business births, survival and cessation, with accounts and reasons

Sources: [1] Access to Formal Credit for MSMEs, 2026-07-23, Annexure II, PDF page 4, national Total row and source note; question/answer page 1. [2] Delayed payments to MSMEs, 2026-08-03. [3] Delayed payments to MSMEs, 2026-07-27. [4] RBI Annual Report 2025-26, Chapter IV, 2026-05-29, Bank Credit to MSMEs table (IV.3 in 2022-23 onwards; IV.5 in 2021-22). [5] Industry Committee Report 333, MSME Demands for Grants 2026-27, checked 19 October 2026. [6] Union Budget 2026-27, Notes on Demands for Grants, Demand 68, 2026-02-01. [7] Effect of economic factor on MSMEs, 2026-08-10. [8] Lok Sabha Starred Question 32: Impact of COVID-19 pandemic on MSME sector, 2022-02-03, PDF page 2, statement (a) to (d). [9] Rajya Sabha Unstarred Question 1855: Closure of MSMEs in the country, 2025-03-17, PDF page 1, answer; PDF page 3, Annexure I, total row. [10] MoSPI, Annual Survey of Unincorporated Sector Enterprises 2025, full report, 2026-05-06. [11] Economic Survey 2024-25, Chapter 5: Medium Term Outlook, 2025-01-31, Held combined PDF pages 193 and 195; printed pages 148 and 150; paragraphs 5.34-5.36 and 5.45.

EXECUTIVE SUMMARY

Points for public accountability

Evidence and its scope	The demand
Recover suppliers' money to restore working capital. An August 2026 parliamentary answer records Rs 11,413.36 crore pending in delayed-payment applications filed during 2023-24 to 2025-26. It does not report actual supplier receipts.	Publish filing-cohort and age-wise case outcomes, including actual supplier receipts after settlement or award, with incomplete applications reported separately.
Government buyers should clear their overdue bills. Government buyers reported Rs 724 crore owed to MSMEs beyond 45 days at the end of June 2026. Parliament should receive the buyer-wise clearance and interest record.	Publish buyer-wise clearance dates for Government invoices beyond 45 days, the statutory interest paid where legally payable, and audited TReDS compliance results.
MSME loan accounts fell in both years of the Government's table. MSME loan accounts at scheduled commercial banks, excluding regional rural banks, fell from 257.45 lakh in 2023-24 to 241.68 lakh in 2025-26, which is 15.77 lakh fewer accounts in two years. In the same answer, the share of new-to-credit entities in commercial credit fell from 55 per cent in FY 2024 to 42 per cent in FY 2026.	Provide or identify an account reconciliation and distinct-borrower series separating new access, repayments, closures, renewals, write-offs and reclassification.
MUDRA must account for fewer annual loan accounts. MUDRA reports 6.6777 crore loan accounts in 2023-24 and 5.0027 crore in 2025-26, a fall of 25.1%. Its Shishu band, for loans up to Rs 50,000, recorded its fewest accounts in eleven years.	Publish unique-borrower outreach and a cohort table tracking first loans, repeat loans and movement between MUDRA loan bands.
A guarantee must work at the bank branch. Parliament's Industry Committee recorded continued collateral demands, high charges and limited rural awareness in its March 2026 examination of MSME credit guarantees.	Require written branch-level reasons for collateral and rejection decisions, publish effective borrowing costs, and independently follow guarantee beneficiaries' disbursement, turnover, survival and repayment.

Sources: [1] Delayed payments to MSMEs, 2026-08-03. [2] Pendency of delayed payment cases and technology-driven redressal, 2026-08-03. [3] Delayed payments to MSMEs, 2026-07-27. [4] S.O. 3507(E), CPSE invoice routing and audit requirements, 30 June 2026, 2026-06-30. [5] CPSE compliance with TReDS onboarding before mandatory settlement, 2026-08-10. [6] MSMEs closed due to delayed payments, 2026-07-27. [7] Access to Formal Credit for MSMEs, 2026-07-23, Annexure II, PDF page 4, national Total row and source note; question/answer page 1. [8] Gazette S.O.1364(E), MSME classification amendment, 2025-03-21, PDF p2, paragraphs1-2. [9] MUDRA PMMY Overall Performance 2023-24, checked 19 October 2026, Single PDF page, row5 Total and rows6-7 Out of Above; financial-year heading and units. [10] MUDRA PMMY Overall Performance 2024-25, checked 19 October 2026, Single PDF page, row5 Total and rows6-7 Out of Above; financial-year heading and units. [11] MUDRA PMMY Overall Performance 2025-26, checked 19 October 2026, Single PDF page, row5 Total and rows6-7 Out of Above; financial-year heading and units. [12] MUDRA PMMY Overall Performance 2015-16, FY 2015-16, Single PDF page, row 5 Total, Shishu accounts. [13] MUDRA PMMY Overall Performance 2016-17, FY 2016-17, Single PDF page, row 5 Total, Shishu accounts. [14] MUDRA PMMY Overall Performance 2017-18, FY 2017-18, Single PDF page, row 5 Total, Shishu accounts. [15] MUDRA PMMY Overall Performance 2018-19, FY 2018-19, Single PDF page, row 5 Total, Shishu accounts. [16] MUDRA PMMY Overall Performance 2019-20, FY 2019-20, Single PDF page, row 5 Total, Shishu accounts. [17] MUDRA PMMY Overall Performance 2020-21, FY 2020-21, Single PDF page, row 5 Total, Shishu accounts. [18] MUDRA PMMY Overall Performance 2021-22, FY 2021-22, Single PDF page, row 5 Total, Shishu accounts. [19] MUDRA PMMY Overall Performance 2022-23, FY 2022-23, Single PDF page, row 5 Total, Shishu accounts. [20] Standing Committee on Industry, 333rd Report, MSME Demands for Grants 2026-27, 2026-03-11, Printed/PDF pp32-36, paras3.1-3.20. [21] RBI Annual Report 2025-26, Chapter IV, 2026-05-29, Bank Credit to MSMEs table (IV.3 in 2022-23 onwards; IV.5 in 2021-22). [22] Finance, report 68: Report on action taken by the Government on the observations/recommendations contained in the 46th Report (17th Lok Sabha) on 'Strengthening Credit Flows to the MSME Sector'', checked 19 October 2026.

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Points for public accountability

Evidence and its scope	The demand
Budget promises need an execution account. The MSME Ministry's 2025-26 net provision fell from Rs 23,168.15 crore at Budget Estimate to Rs 12,095.98 crore at Revised Estimate. Rs 9,000 crore of the Rs 11,072.17 crore cut was the emergency credit guarantee line, which fell to zero at the Revised Estimate.	Publish a scheme-wise reconciliation of BE, RE and actual spending, linked separately to guarantees issued, disbursements, claims paid and beneficiary outcomes.
Technology support needs centres that open on time. The new Technology Centre and Extension Centre scheme spent Rs 37.45 crore against a Rs 450 crore budget in 2024-25. Only 25 of 100 approved Extension Centres were operational by 31 December 2025.	Publish centre-wise land, tender, commissioning and service milestones, with final 2025-26 expenditure and an explanation of the earlier full-utilisation assurance.
PMEGP applicants need predictable decisions. For FY 2021-22 through FY 2025-26, the 30 July 2026 parliamentary answer reports average PMEGP stage times of 58 days for agency processing, 70 days for bank sanction and 84 days for subsidy release. These are separate stage means.	Publish compliance against applicable PMEGP stage deadlines, identify any stage without a stated standard, and report median and 90th-percentile waits, bank-wise ageing and escalation.
The SC/ST procurement target remains unmet. SC/ST-owned micro and small enterprises received 1.69% of reported CPSE procurement in 2025-26, against the 4% target. The same table stays below target in all five years shown.	Publish buyer-wise SC/ST procurement shortfalls, recorded tender exceptions and a dated vendor-development plan to reach 4%.
New payment duties need proportionate enforcement. The new invoice-routing and disclosure duties took effect on 15 October 2026. The amended section 27 does not expressly name sections 15A or 22A among its penalty triggers.	Provide proportionate enforcement for sections 15A and 22A and publish a funded Council-capacity plan with a provision-by-provision commencement tracker.

Sources: [1] Union Budget 2026-27, Notes on Demands for Grants, Demand 68, 2026-02-01. [2] Industry Committee Report 330, action taken on MSME Demands for Grants 2025-26, checked 19 October 2026. [3] Industry Committee Report 333, MSME Demands for Grants 2026-27, checked 19 October 2026. [4] Delay in Disbursement of Financial Assistance under PMEGP, 30.07.2026. [5] Procurement of Goods from Women & SC/ST owned MSEs, 30.07.2026. [6] Public Procurement Policy Amendment Order, S.O. 5670(E), 2018, 2018-11-09. [7] Public Procurement Policy Amendment Order, S.O. 3237(E), 2021, 2021-08-11. [8] Micro, Small and Medium Enterprises Development (Amendment) Act, 2026, 2026-08-13. [9] S.O. 5575(E), commencement notification, 12 October 2026, 2026-10-12. [10] S.O. 3507(E), CPSE invoice routing and audit requirements, 30 June 2026, 2026-06-30.

EXECUTIVE SUMMARY

Points for public accountability

Evidence and its scope	The demand
Other-services businesses produced less value per establishment. ASUSE reports that nominal annual value added per other-services market establishment fell from Rs 2,62,352 in 2023-24 to Rs 2,56,343 in 2025, a decline of 2.29%. This is an enterprise-level performance measure, not employee pay.	Provide or identify activity-wise value-added, sales, cost and survival evidence, and explain support for other-services enterprises where average value creation declined.
Measure business viability beyond the registration total. The Government counts Udyam registrations, but a registration does not establish the sales, profits, debt-service capacity or survival of an MSME business.	Publish a representative MSME financial-health account covering turnover, margins, receivables, debt service, investment and survival, separately by enterprise size, sector and legal form.
The pandemic hit the revenue and profitability of small firms. In a ministry-commissioned SIDBI survey, around 66% of respondent MSMEs reported lower profitability. More than half reported a revenue fall exceeding 25% in FY 2020-21.	Provide or identify the complete SIDBI study and any respondent follow-up on sales, profitability, debt servicing and continued operation, including firms outside emergency support.
Recorded MSME closures nearly tripled in two years. The Government's Udyam table records 58,403 MSMEs closed or shut down in 2025-26 up to 28 February 2026, against 39,446 in 2024-25 and 19,828 in 2023-24. The eleven-month 2025-26 count is the highest of the six years from 2020-21.	Publish the year-wise count by reason of cancellation, the full-year 2025-26 count, and a follow-up of the enterprises recorded as closed, including revival and access to relief.
Reduce the cost of running and growing a small business. The Government's Economic Survey 2024-25 acknowledges that compliance burdens depress growth and that smaller firms have limited management and financial capacity.	Publish a dated Union-State plan to remove duplicate requirements and measure reductions in proprietor time, legitimate compliance costs and approval delays while retaining essential protections.

Sources: [1] MoSPI, Annual Survey of Unincorporated Sector Enterprises 2025, full report, 2026-05-06. [2] Employment by MSMEs, 2026-07-27. [3] Effect of economic factor on MSMEs, 2026-08-10. [4] MoSPI, User Guide for ASUSE, 2 January 2026, 2026-01-02. [5] Lok Sabha Starred Question 32: Impact of COVID-19 pandemic on MSME sector, 2022-02-03, PDF page 2, statement (a) to (d). [6] Rajya Sabha Unstarred Question 3462: Unemployment in MSMEs due to closures, 23 March 2026, Answer (a) and (b), year-wise table of MSMEs closed or shut down. [7] Rajya Sabha Unstarred Question 4089: Data on closed MSMEs, 30 March 2026, Answer (a) and (b), the same year-wise table as Question 3462. [8] Rajya Sabha Unstarred Question 1855: Closure of MSMEs in the country, 2025-03-17, PDF page 1, answer; PDF page 3, Annexure I, total row. [9] Economic Survey 2024-25, Chapter 5: Medium Term Outlook, 2025-01-31, Held combined PDF pages 193 and 195; printed pages 148 and 150; paragraphs 5.34-5.36 and 5.45.