

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1860
TO BE ANSWERED ON 17.03.2025

EASE OF DOING BUSINESS FOR MSMEs

1860. SHRI DEBASHISH SAMANTARAY:

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

- (a) the initiatives taken to simplify the registration and compliance process for Micro, Small and Medium Enterprises (MSMEs);
- (b) the impact of the Udyam Registration Portal on MSMEs formalization and growth;
- (c) whether Government plans to further reduce regulatory burdens on MSMEs to enhance their competitiveness; and
- (d) the steps taken to encourage MSMEs to shift to digital payment systems and e-commerce platforms?

ANSWER

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

(a) & (b): The Ministry of MSME has taken several steps to simplify the registration and compliance process for Micro, Small and Medium Enterprises (MSMEs). Udyam Registration Portal (URP) was launched on 01.07.2020 to facilitate ease of registration for MSMEs. The process of registration on Udyam is fully online, paperless and based on self-declaration. This Ministry in association with Small Industries Development Bank of India (SIDBI) launched Udyam Assist Platform (UAP), for bringing Informal Micro Enterprises (IMEs) into the formal ambit, on 11.01.2023. This has helped the registered IMEs to avail the benefits of Priority Sector Lending. Since inception, from 01-07-2020 till 11-03-2025, more than 6.10 crore MSMEs with an employment of more than 25.98 crore have registered on URP. Once an enterprise is registered and formalized, it becomes eligible to avail the benefit of various schemes and initiatives of the Ministry of MSME, subject to meeting the guidelines and the eligibility criteria.

(c): The Ministry of MSME reduced the Compliance Burden on business as well as on citizens related to Public Procurement Policy for MSEs Order, 2012 vide Notification No. S.O. 3237(E) dated 11th August, 2021 as identified by the Department for Promotion of Industry and Internal Trade (DPIIT). The number of compliances has been reduced to 4 which are bare minimum requirements to avail the benefits of the schemes of Ministry of MSME and are not burdensome.

As informed by DPIIT, National Single Window System (NSWS) has been developed, which integrates the existing clearance/regulatory systems of various Ministries/ Departments of Government of India and State Governments. A total of 278 Central Government approvals and 2,977 State Government approvals can be applied through this facility.

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(d): The Government has taken several measures to encourage MSMEs to integrate with digital payment systems and e-commerce platforms. Through URP, the MSMEs can link with GeM platform and participate in the Government procurement. MSME Global Mart Portal under National Small Industries Corporation is a business to business (B2B) portal facilitating online marketing support to Indian Micro, Small and Medium Enterprises. PM Vishwakarma Scheme seeks to incentivize digital transactions undertaken by the artisans and craftspeople through cash-backs to promote a new digital culture among the Vishwakarmas with regard to embracing digital payments ecosystem. Under this, an incentive amount of Re. 1 per eligible digital transaction (upto a maximum of 100 eligible transactions) monthly is credited to the beneficiary's bank account in DBT mode through Aadhaar Enabled Payment System.
