

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 1680
TO BE ANSWERED ON: 04.08.2025

REGULATORY COMPLIANCE CHALLENGE IN MSME SECTOR

1680. SHRI ABDUL WAHAB:

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

- (a) whether there are Micro, Small and Medium Enterprises (MSMEs) in the country experiencing significant regulatory compliance challenges;
- (b) if so, measures Government has implemented to reduce these compliance burdens for MSMEs;
- (c) the data on new MSMEs registered across the country over the last five years, year-wise, State-wise and sector-wise;
- (d) whether it is a fact that a substantial number of MSMEs in the country got closed due to significant increase in taxes imposed by Government; and
- (e) the data on MSMEs that got closed in the country over the last five years, year-wise, State-wise, and sector-wise?

ANSWER

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

(a) and (b): Promotion and development of enterprises is a State subject. The Central Government supplements the efforts of the State/UT Governments through various schemes, programmes and policy initiatives for overall development and promotion of MSMEs in the country. In this background, the Government of India has taken several steps to simplify compliance process for Micro, Small and Medium Enterprises (MSMEs) are given below:

- i. Udyam Registration Portal (URP) was launched by Ministry of MSME 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. For those Informal Micro Enterprises (IMEs), which do not have PAN and are exempted from GST, Udyam Assist Platform (UAP) was launched on 11.01.2023 in association with Small Industries Development Bank of India (SIDBI). The formalisation initiative has provided ease of doing business, created an identity for MSMEs and they become eligible to avail the benefit of the Schemes, subject to eligibility criteria.
- ii. 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 306 Central Government approvals and 3,113 State Government approvals can be applied through this facility.
- iii. Jan Samarth Portal was launched on 06.06.2022 to provide a common platform for availing loan under credit-linked Government schemes. Since its launch various Government Schemes catering to agriculture, renewable energy, business activity, livelihood and education, etc. are made available on the portal.

- iv. PM Vishwakarma Scheme components include recognition through PM Vishwakarma Certificate and ID card, Skill Upgradation, Toolkit Incentive, Credit Support, Incentive for Digital Transaction and Marketing Support. All these services are delivered through a single integrated Portal to ease access and minimize the compliance burden on artisans and craftspeople.

(c): The details of new MSMEs registered across the country, State/UT-wise, year-wise and Sector-wise, from the last five years, as on 28.07.2025 are given at Annexure-I.

(d) and (e): There are various reasons for MSMEs to deregister such as change of ownership, change of business location and others. As per Udyam Portal, the number of MSMEs shut down as a proportion of the total those which have registered since the revision in the definition on 01.07.2020 is 0.15%. The details of total MSMEs shut down in the country, in the last five years, State/UT-wise, year-wise and Sector-wise, as on 28.07.2025 are given at Annexure -II.

Annexure-I referred to in reply to part (c) of Rajya Sabha Unstarred Question No. 1680 for answer on 04.08.2025.

State/UT-wise, Year-wise and Sector-wise New Enterprises registered on URP and UAP, from 01.07.2020 to 28.07.2025																			
Sl. No.	State	2020-21 (01.07.2020 to 31.03.2021)			2021-22			2022-23			2023-24			2024-25			2025-26 (01.04.2025 to 28.07.2025)		
		Manufacturing	Services	Trading	Manufacturing	Services	Trading	Manufacturing	Services	Trading	Manufacturing	Services	Trading	Manufacturing	Services	Trading	Manufacturing	Services	Trading
1	Andaman and Nicobar Islands	238	634	261	297	736	572	276	1031	880	292	1061	923	306	1046	847	55	226	166
2	Andhra Pradesh	27939	63482	30006	37356	83004	44938	42915	89003	50691	39820	87602	46804	58316	95115	52888	7349	17932	7881
3	Arunachal Pradesh	473	443	602	624	557	1016	803	796	1363	985	940	1567	1088	1006	1877	255	204	377
4	Assam	17350	15148	27134	25526	21752	39009	33615	23295	46164	39817	27358	49776	35689	24340	44768	5873	4708	7530
5	Bihar	33792	45343	52035	55308	59188	87301	50948	47102	110689	58996	49549	101205	64254	50371	89794	18722	13899	21294
6	Chandigarh	444	1940	936	630	2426	1820	558	2300	2259	666	2623	2332	535	2261	1985	117	421	376
7	Chhattisgarh	7880	16677	19126	9465	19187	28798	11403	18877	35074	11422	19836	34738	11572	17322	34030	2366	3475	6764
8	Dadra and Nagar Haveli and Daman and Diu	480	811	528	504	917	840	416	841	875	408	844	867	393	663	702	100	167	169
9	Delhi	17264	28944	17274	20652	32655	29850	22414	32801	41110	20839	35669	41856	20648	33529	41202	5759	8035	11200
10	Goa	860	3470	3325	970	3155	2387	1119	3706	3107	1128	3594	2842	913	2792	2571	190	511	488
11	Gujarat	55826	61316	49771	62604	73322	79905	62142	64267	95226	58547	62299	92320	54163	52634	82002	14552	11660	19585
12	Haryana	21136	42976	26500	25716	54342	47700	26964	51975	56917	25974	48236	55162	23811	43836	49200	6349	10580	13119
13	Himachal Pradesh	3066	7407	5762	3642	10054	9963	4145	10415	14362	5016	12066	15871	5085	10204	14852	1299	2444	3650
14	Jammu and Kashmir	11615	12091	12783	19457	18390	24942	22324	22561	35455	23737	31614	40492	15908	24825	27234	2366	4302	5073
15	Jharkhand	9622	19123	22546	12150	22315	37656	13795	21795	45397	14260	20122	40935	14754	17783	34950	3287	3817	7065
16	Karnataka	37529	83786	37863	47356	112928	62752	50118	111274	75490	49288	113572	70540	42217	102826	62222	8292	21564	12620
17	Kerala	18571	31941	12809	21827	40778	22570	32893	59546	35457	35767	66891	38701	33204	67024	38907	5863	14495	8214
18	Ladakh	339	437	299	426	702	556	469	911	776	367	747	633	292	647	549	47	160	113
19	Lakshadweep	20	46	42	24	52	78	14	69	58	17	54	67	22	65	89	7	14	16
20	Madhya Pradesh	34006	55688	61276	40537	64968	97240	45535	62353	130394	49579	67066	132364	46913	60016	124235	10213	11491	24152
21	Maharashtra	122598	258689	161017	140642	264940	259860	135578	224049	298883	138604	229935	279831	134147	210064	247800	33190	43316	48450

22	Manipur	5203	3267	1640	5896	3536	2688	6348	3491	3804	6669	3370	3362	5372	2704	2956	641	433	463
23	Meghalaya	464	725	1076	638	1055	1750	1020	1427	2332	1549	2028	2661	2352	2801	2670	646	736	676
24	Mizoram	601	797	1199	790	847	1891	1090	897	2767	1069	838	2751	883	641	1825	166	135	319
25	Nagaland	874	617	956	1429	997	1585	2265	1406	2233	2588	1906	2860	1989	2071	2591	514	507	725
26	Odisha	19455	32812	35014	26080	41895	53909	32316	45567	68152	42893	54778	86822	20362	23861	36252	3672	4610	6471
27	Puducherry	851	2660	843	917	3042	1294	926	2924	1706	991	3121	1688	871	2600	1596	141	413	293
28	Punjab	21001	36858	25738	29847	50162	47475	25911	44466	49474	23863	44372	44964	20008	36697	38368	4470	7455	8178
29	Rajasthan	62723	83581	70054	69942	89053	10507 6	75680	83014	13753 2	76129	81984	13600 4	67910	67017	11377 2	16233	14161	24340
30	Sikkim	158	412	334	264	802	629	312	795	1154	480	898	1181	505	618	978	344	185	174
31	Tamil Nadu	89452	15326 1	49668	102288	18165 4	78967	107798	18390 4	10130 5	105963	18225 7	96898	83089	14152 3	81980	15204	26983	14886
32	Telangana	24020	70169	25984	26931	81391	38047	28302	83916	45465	34266	93324	50416	26920	82921	43516	6111	18238	9615
33	Tripura	2067	1756	2300	3265	2700	3852	3895	3955	5134	4438	4120	5784	5029	3173	4862	991	789	1052
34	Uttar Pradesh	81812	10348 7	11262 0	103145	12395 9	18074 1	119835	12569 4	24263 6	164327	16340 7	27074 5	131181	14223 5	24151 9	41637	40145	60176
35	Uttarakhand	6280	11691	10550	8020	13861	18377	8338	14340	26109	9443	15487	27664	8932	14027	24970	1907	2883	5158
36	West Bengal	28276	35172	38969	39579	47891	67364	47683	53947	88532	53689	65857	10139 1	54545	62541	93316	10959	14089	21032
Total:-		764285	12876 57	91884 0	944744	15292 13	14833 98	1020163	14987 10	18589 62	1103886	15994 25	18850 17	994178	14037 99	16438 75	229887	30518 3	35186 0

Annexure-II referred to in reply to part (d) & (e) of Rajya Sabha Unstarred Question No. 1680 for answer on 04.08.2025.

State/UT-wise, Year-wise and Sector-wise Enterprises de-registered due to shut down on URP, from 01.07.2020 to 28.07.2025																			
Sl. No.	State	2020-21 (01.07.2020 to 31.03.2021)			2021-22			2022-23			2023-24			2024-25			2025-26 (01.04.2025 to 28.07.2025)		
		Manufacturing	Services	Trading	Manufacturing	Services	Trading	Manufacturing	Services	Trading	Manufacturing	Services	Trading	Manufacturing	Services	Trading	Manufacturing	Services	Trading
1	Andaman and Nicobar Islands	-	-	-	2	6	1	4	4	4	3	16	7	2	29	16	1	14	5
2	Andhra Pradesh	-	-	-	35	73	5	79	120	62	121	253	125	328	694	379	185	390	215
3	Arunachal Pradesh	-	-	-	-	-	-	-	1	-	1	-	1	-	-	-	12	9	6
4	Assam	-	-	-	3	4	1	9	17	2	13	11	23	14	18	14	181	203	265
5	Bihar	5	13	-	215	296	30	169	212	166	201	218	258	496	561	771	181	162	268
6	Chandigarh	-	1	-	4	14	3	1	5	2	-	4	8	4	18	9	-	2	3
7	Chhattisgarh	-	4	-	16	36	12	25	65	44	52	83	114	71	167	221	60	79	163
8	Dadra and Nagar Haveli and Daman and Diu	-	-	-	5	2	-	7	5	4	10	9	9	17	13	13	5	5	7
9	Delhi	-	-	-	60	132	18	124	230	116	67	81	55	50	42	47	29	23	24
10	Goa	-	3	-	-	4	1	2	11	4	14	27	20	16	43	30	7	21	21
11	Gujarat	20	47	-	167	289	36	336	466	272	858	716	733	1,015	1,233	1,286	482	535	681
12	Haryana	7	9	-	41	91	19	119	173	112	202	351	289	79	92	100	17	45	40
13	Himachal Pradesh	1	1	-	2	4	2	21	36	29	10	20	8	51	123	113	21	34	32
14	Jammu and Kashmir	-	-	-	12	36	3	33	48	40	56	81	104	134	206	226	181	95	116
15	Jharkhand	-	-	-	29	85	20	51	98	102	92	122	151	163	250	321	49	84	143
16	Karnataka	2	2	-	78	167	27	156	263	115	234	378	210	495	1,102	590	282	519	317
17	Kerala	1	1	-	39	88	10	98	181	60	151	310	130	308	564	285	162	280	184
18	Ladakh	-	-	-	-	1	-	-	1	1	1	2	-	4	3	8	-	4	-

19	Lakshadweep	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	2	1
20	Madhya Pradesh	-	1	-	36	59	17	135	210	203	144	174	234	389	684	888	199	298	456
21	Maharashtra	1	2	-	457	1,136	238	749	1,519	1,008	1,028	2,116	1,656	2,000	4,082	3,620	890	1,742	1,700
22	Manipur	-	-	-	-	-	-	25	27	10	11	19	3	60	77	49	28	25	15
23	Meghalaya	-	-	-	-	1	-	-	-	1	1	-	-	-	-	-	12	5	16
24	Mizoram	-	-	-	-	1	-	1	1	-	2	2	1	6	7	8	7	6	19
25	Nagaland	-	-	-	1	-	-	4	-	1	3	4	-	3	6	7	5	3	6
26	Odisha	-	1	-	32	71	15	57	87	68	122	150	159	203	319	353	113	183	223
27	Puducherry	-	-	-	1	7	-	9	22	8	11	35	10	27	69	23	4	23	11
28	Punjab	-	-	-	56	136	16	23	37	28	14	28	23	43	59	53	20	36	26
29	Rajasthan	2	9	-	92	191	29	322	425	321	440	561	681	825	1,131	1,318	371	483	650
30	Sikkim	-	-	-	-	-	-	-	1	-	-	-	-	-	-	1	26	37	6
31	Tamil Nadu	-	2	-	146	421	24	517	1,006	377	682	1,339	568	1,301	2,506	1,093	604	1,164	562
32	Telangana	-	2	-	33	89	6	23	58	21	53	117	50	463	1,004	514	144	404	242
33	Tripura	-	-	-	1	6	1	2	2	2	1	4	5	3	10	13	25	27	16
34	Uttar Pradesh	4	16	-	152	293	49	311	427	372	395	473	576	367	429	572	275	401	534
35	Uttarakhand	1	-	-	5	26	1	44	97	61	49	95	90	77	170	201	49	90	95
36	West Bengal	6	11	-	51	87	15	89	157	117	166	286	234	384	637	557	206	351	344
Total:-		50	125	-	1,771	3,852	599	3,545	6,012	3,733	5,208	8,085	6,535	9,398	16,348	13,700	4,833	7,784	7,412
Report Dated:- 30/07/2025 10:55 PM																			