

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 5368**  
**TO BE ANSWERED ON 03.04.2025**

**EASE OF DOING BUSINESS FOR MSMEs**

5368. SHRI S JAGATHRATCHAKAN:  
SMT. KANIMOZHI KARUNANIDHI:

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

- (a) whether the Government is aware of the findings in the report published by ASSOCHAM-EGROW which highlight that 30 percent of MSMEs struggle with accessing finance, 34 percent face complex Goods and Services Tax (GST) compliance issues, severely impacting their growth and sustainability;
- (b) if so, the specific steps taken by the Government to streamline MSME support schemes and ensure that information about these schemes reaches entrepreneurs, particularly in rural and semi-urban areas;
- (c) whether the Government is considering reforms in GST compliance to reduce the regulatory burden on MSMEs, including a tiered penalty structure and state-specific GST registration simplifications; and
- (d) the details of steps taken by the Government to address regulatory hurdles and improve ease of doing business for MSMEs in the country?

**ANSWER**

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

(a) to (c): The Government of India has taken a number of initiatives and measures to provide support to Micro, Small and Medium Enterprises (MSMEs) in accessing finance across the country, including in rural and semi-urban areas. The measures inter-alia include schemes and programmes such as Prime Minister's Employment Generation Programme, Special Credit Linked Capital Subsidy Scheme, Credit Guarantee Scheme for Micro and Small Enterprises, PM Vishwakarma, Pradhan Mantri Mudra Yojana, Stand Up India, Self Reliant India, Fund of Funds for Startups, etc.

As informed by GST Council, a Group of Ministers to identify measures necessary for creating a conducive environment for MSMEs was constituted and based on the recommendations, various measures for MSME Sector have been taken to promote ease of doing business and reduce the regulatory burden on MSMEs.

- (i) Based on turnover, certain enterprises are not required to obtain GST registration and the details are as given below:
  - If aggregate turnover in a financial year does not exceed 40 Lakh for supply of goods
  - If aggregate turnover in a financial year does not exceed 20 Lakh for supply of services
- (ii) Composition levy scheme in GST is an alternative method of levy of tax for MSME taxpayers having turnover upto a prescribed limit.

- (iii) To simplify GST filing for MSMEs, special return filing provisions for MSME Sector has been introduced. The Government has notified that all eligible registered persons having annual turnover up to Rs. 5 crore, in the preceding financial year, may opt for filing of quarterly returns with monthly payment of tax.

Awareness programmes are regularly conducted by the Ministry of MSME / field offices of Ministry of MSME, in coordination with MSME/ Industry Departments of States/UTs concerned and other stakeholders Ministries, Organization, etc. to ensure that information about these schemes reaches entrepreneurs, particularly in rural and semi-urban areas.

(d): A number of steps have been taken to address regulatory hurdles and improve ease of doing business for MSMEs by the Government as given below:

- (i) Udyam Registration Portal 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. The Ministry in association with Small Industries Development Bank of India launched Udyam Assist Platform on 11.01.2023, for bringing Informal Micro Enterprises (IMEs) into the formal ambit. This has helped the registered IMEs to avail the benefits of Priority Sector Lending.
- (ii) The Ministry of MSME reduced the Compliance Burden on business as well as on citizens related to Public Procurement Policy for Micro and Small Enterprises Order, 2012 vide Notification No. S.O. 3237(E) dated 11.08.2021 as identified by the Department for Promotion of Industry and Internal Trade (DPIIT).
- (iii) As informed by DPIIT, National Single Window System 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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