

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
UNSTARRED QUESTION NO. 1022
TO BE ANSWERED ON: 05.02.2026

REGULATION ON MSMEs

1022. SHRI KESINENI SIVANATH:

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

- (a) whether the Government has conducted any studies or assessments to evaluate compliance costs faced by Micro, Small and Medium Enterprises (MSMEs) due to regulatory requirements, taxation, quality standards and reporting obligations;
- (b) if so, the details regarding such studies including key findings and sector-wise impact thereof;
- (c) the details regarding the steps taken by the Government to reduce compliance burden on MSMEs, including digitisation measures and regulatory simplification initiatives;
- (d) the details regarding the incubation and mentoring support provided to MSMEs through Government-led incubators, including the number of incubators supported under various Central schemes, State-wise; and
- (e) the details regarding the number of IT-based MSMEs registered in the country, State-wise and the number of private and Government-led incubators supporting such enterprises, along with the financial assistance provided to them?

ANSWER

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

- (a) to (c): Government of India has taken a number of steps to reduce compliance burden on MSMEs, including digitisation measures and regulatory simplification initiatives. Some of them are 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 (SIDBI) 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. This Ministry has 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 by merging 04 compliances into one, reducing the number of compliances from 07 to 04. The Central Ministries/ Departments/ Central Public Sector Enterprises (CPSEs) require to take necessary steps to develop appropriate vendors by organizing Vendor Development Programmes or Buyer-Seller Meets focused on developing Micro and Small Enterprises (MSEs) for procurement through GeM Portal.

- 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.
- iv. As informed by Central Board of Indirect Taxes & Customs, Department of Revenue, the Government has undertaken various initiatives / policy measures to encourage MSMEs in the country. No GST Registration is required for supply of goods upto Rs. 40 lakh and supply of services upto Rs. 20 lakh, Composition scheme for Goods/Restaurant Services and Service Providers, Quarterly Returns Monthly Payment scheme, etc.

(d) & (e): The Ministry of MSME implements MSME Innovative scheme under MSME Champions scheme which is an amalgamation of components of Incubation, Design, and Intellectual Property Rights (IPR). The incubation component of the Scheme aims to promote and support untapped creativity and the adoption of latest technologies in MSME that seek validation of their ideas at 'proof-of-concept level'. The details regarding the incubation and mentoring support provided to MSMEs through Government-led Incubators, including the number of incubators supported under various Central Schemes, State-wise are given at Annexure-I.

Further, various Ministries and Departments are also promoting the development of incubation centers across the country through initiatives like Startup India Seed Fund Scheme (SISFS), Technology Incubation and Development of Entrepreneurs (TIDE 2.0), Domain Specific Centres of Excellence (CoEs), Rashtriya Krishi Vikas Yojana (RKVY) Agribusiness Incubators (R-ABIS), NIDHI Technology Business Incubator (TBI), Atal Incubation Centres (AIC), Software Technology Parks of India (STPI), Livelihood Business Incubators (LBIs) under ASPIRE, and Biotechnology Industry Research Assistance Council (BIRAC)-backed incubators amongst others.

The state-wise number MSMEs registered in the country as on 31.01.2026 including IT-based MSMEs are given at Annexure -II.

Annexure -I

The State/UT wise number of Host Institutes (HIs) Approved, State-wise number of His Supported, State-wise number of Ideas approved under the scheme since launch as on date are tabulated below:

S. No.	State/UT	State wise No. of HIs Approved	State wise No. of HIs Supported	Number of Ideas Approved
1	Andhra Pradesh	74	36	129
2	Arunachal Pradesh	2	1	3
3	Assam	6	3	6
4	Bihar	11	6	14
5	Chandigarh	1	1	7
6	Chhattisgarh	16	6	13
7	Delhi	10	4	16
8	Goa	1	1	3
9	Gujarat	33	15	45
10	Haryana	12	6	13
11	Himachal Pradesh	5	2	2
12	Jammu And Kashmir	3	2	4
13	Jharkhand	7	4	11
14	Karnataka	60	32	98
15	Kerala	31	12	31
16	Madhya Pradesh	45	11	22
17	Maharashtra	69	37	87
18	Meghalaya	3	2	4
19	Odisha	24	13	47
20	Puducherry	2	2	3
21	Punjab	14	4	15
22	Rajasthan	31	14	39
23	Sikkim	1	0	0
24	Tamil Nadu	179	113	508
25	Telangana	68	43	162
26	Tripura	2	1	1
27	Uttar Pradesh	32	19	67
28	Uttarakhand	10	6	11
29	West Bengal	21	14	57
	Grand Total	773	410	1418

Annexure-II

State Wise Total Enterprises Detail Under UDYAM & UAP Since 01/07/2020 to 31/01/2026

Sl. No.	State	Micro	Small	Medium	Total	Women	General	SC	ST	OBC	Manufacturing	Service	Trading	Employment
1	Andaman and Nicobar Islands	21,645	156	4	21,805	6,313	16,325	332	262	4,882	4,023	10,101	7,681	369,410
2	Andhra Pradesh	3,800,597	16,986	982	3,818,565	2,081,614	1,791,265	442,295	80,726	1,503,898	768,411	1,708,791	1,341,363	19,605,054
3	Arunachal Pradesh	46,678	379	19	47,076	21,177	9,050	838	35,175	2,010	13,977	10,510	22,589	272,578
4	Assam	1,450,337	6,695	519	1,457,551	523,300	877,486	126,280	134,998	318,668	417,995	374,559	664,997	9,904,891
5	Bihar	4,126,666	11,974	583	4,139,223	1,915,215	1,637,648	370,934	79,473	2,050,787	740,409	1,234,696	2,164,118	16,743,707
6	Chandigarh	77,515	1,263	132	78,910	20,297	64,268	8,676	441	5,474	11,226	35,083	32,601	430,835
7	Chhattisgarh	1,304,567	8,344	720	1,313,631	560,675	525,046	133,029	127,467	527,985	234,779	423,832	655,020	4,378,337
8	Delhi	1,387,179	28,418	2,751	1,418,348	377,949	1,154,839	102,130	8,009	152,315	314,475	491,168	612,705	8,870,375
9	Goa	126,553	1,121	77	127,751	49,345	102,199	2,633	5,257	17,631	26,697	63,404	37,650	485,494
10	Gujarat	4,207,089	54,125	4,225	4,265,439	1,152,020	2,753,039	240,547	198,430	1,072,447	1,148,434	1,346,814	1,770,191	16,679,892
11	Haryana	1,929,969	23,022	1,763	1,954,754	542,922	1,205,443	284,772	11,355	452,711	393,185	713,169	848,400	9,397,933
12	Himachal Pradesh	332,203	2,572	209	334,984	76,972	229,526	62,336	13,991	29,065	63,605	121,332	150,047	1,431,323
13	Jammu and Kashmir	815,822	3,220	215	819,257	193,571	687,375	55,453	32,459	43,912	262,796	266,470	289,991	3,223,053
14	Jharkhand	1,510,829	5,904	356	1,517,089	701,770	704,364	111,225	96,052	605,256	229,532	487,429	800,128	6,120,597
15	Karnataka	4,840,286	31,489	2,293	4,874,068	2,128,934	2,465,353	519,710	202,756	1,685,221	1,059,260	2,337,359	1,477,449	26,321,956
16	Kerala	1,787,781	12,923	768	1,801,472	832,056	946,936	83,074	8,558	762,493	468,497	780,220	552,755	6,216,724
17	Ladakh	19,745	114	3	19,862	6,101	1,728	158	17,869	107	6,872	7,042	5,948	58,134
18	Lakshadweep	2,431	-	-	2,431	579	55	7	2,288	81	763	856	812	7,384
19	Madhya Pradesh	4,673,947	19,811	1,179	4,694,937	1,648,570	1,585,857	616,055	320,906	2,171,746	792,141	1,316,509	2,586,287	15,185,492
20	Maharashtra	9,815,933	74,542	6,893	9,897,368	3,522,246	6,468,329	912,939	262,144	2,251,906	2,042,677	3,809,646	4,045,045	33,660,613
21	Manipur	172,958	424	18	173,400	96,884	95,078	10,429	29,319	38,529	74,995	49,058	49,347	840,443
22	Meghalaya	70,438	412	32	70,882	35,577	14,787	1,263	53,662	1,165	15,718	24,008	31,156	384,421
23	Mizoram	50,709	212	9	50,930	29,896	3,193	283	47,342	109	10,589	11,527	28,814	267,777
24	Nagaland	72,503	176	16	72,695	37,422	13,387	1,013	56,762	1,524	19,413	19,010	34,272	307,022

25	Odisha	2,341,171	10,022	607	2,351,800	1,029,723	1,251,751	292,248	131,091	676,488	493,593	752,267	1,105,940	11,432,359
26	Puducherry	105,645	666	59	106,370	51,815	53,399	6,249	288	46,406	20,642	50,698	35,030	427,534
27	Punjab	2,066,029	16,914	1,226	2,084,169	648,281	1,484,148	397,756	6,382	195,527	450,114	758,041	876,014	9,200,524
28	Rajasthan	4,289,863	27,205	1,659	4,318,727	1,062,751	1,486,996	541,137	254,768	2,035,095	1,183,324	1,363,209	1,772,194	18,736,751
29	Sikkim	35,079	164	13	35,256	18,233	13,294	2,402	9,425	10,134	8,591	12,835	13,830	142,336
30	Tamil Nadu	6,008,953	39,259	2,822	6,051,034	2,676,776	3,936,020	416,827	27,626	1,669,105	1,501,993	2,688,018	1,861,023	31,443,163
31	Telangana	3,702,077	20,182	1,783	3,724,042	2,042,557	1,419,135	455,631	238,823	1,609,835	511,023	1,670,621	1,542,398	20,436,757
32	The Dadra and Nagar Haveli and Daman and Diu	33,931	916	135	34,982	8,856	25,588	1,063	2,977	5,339	7,785	13,532	13,665	292,764
33	Tripura	308,198	701	47	308,946	198,289	135,858	65,163	46,529	61,388	54,847	95,606	158,493	1,254,789
34	Uttar Pradesh	8,267,274	40,249	2,648	8,310,171	2,558,494	3,441,294	1,068,831	70,016	3,728,843	1,634,621	2,264,645	4,410,905	36,414,370
35	Uttarakhand	624,035	4,040	273	628,348	190,885	399,806	70,557	10,846	147,019	108,037	211,653	308,658	2,742,055
36	West Bengal	5,159,958	24,088	1,778	5,185,824	2,982,691	4,172,710	627,625	59,158	325,758	861,910	1,750,882	2,573,032	21,560,709
	Total:-	75,586,593	488,688	36,816	76,112,097	30,030,756	41,172,575	8,031,900	2,683,630	24,210,859	15,956,949	27,274,600	32,880,548	335,247,556

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