

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

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**Opening remarks by Shri Pravir Pandey Additional Deputy CAG (Railways) on
C&AG Launching Pan-India Horizontal Audit on Ease of Doing Business for MSMEs**

The Comptroller and Auditor General of India (C&AG) has initiated a nationwide Horizontal Performance Audit focusing on the Ease of Doing Business (EoDB) in the Micro, Small and Medium Enterprises (MSME) sector. The announcement was made during the 32nd AG Conference on 17 November 2025, where Additional Deputy Auditor General, Shri Pravir Pandey unveiled the theme and audit framework.

Earlier this year, Sri Sanjay K. Murthy, C&AG of India emphasised the strategic shift in the C&AG's approach, moving beyond traditional financial and compliance checks to evaluating outcomes and the effectiveness of reforms. He directed State Accountant Generals to an integrated audit approach that brings together various dimensions of governance, service delivery, and regulatory performance to provide a comprehensive assessment.

The pan India horizontal audit cutting across states aims to evaluate how effectively States and Union Territories have implemented reforms to improve the business environment for MSMEs—one of India's most critical engines of economic growth. This initiative aligns with national priorities such as Viksit Bharat @2047 and Business Reform Action Plan 2024 spearheaded by Department of Promotion of Industries and Internal Trade.

The audit will assess whether MSMEs receive efficient, transparent, and timely services from public institutions. It will evaluate the progress made in simplifying regulations, digitising processes, and decriminalising minor offences that affect businesses. The exercise will also review the impact and effectiveness of major MSME schemes and the utilisation of public resources. In addition, the nationwide coverage will enable inter-State comparisons, promote the adoption of best practices, and strengthen the overall reform ecosystem.

The audit is being coordinated by the Sri Manish Kumar, Principal Accountant General, West Bengal, serving as the Lead Audit Office for all 32 States/UTs. Inputs have been obtained from deliberations in the Audit Advisory Board Meetings, Teamlease and KPMG, industry bodies (FICCI, CII, ASSOCHAM, FISME, PHDCCI), MSME Departments of Government of India and State Government of West Bengal for the audit design framework. MoSPI-empanelled survey agencies would be engaged to provide feedback from MSME entrepreneurs.

The intended value addition to stakeholders by this audit will be identification and recommendation on operational efficiencies, improving Ease of Doing Business based on recommendation towards regulatory simplification, modalities for improving financial access and linkages, digital Integration and transparency and benchmarking Good practices in states.