

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
STARRED QUESTION NO. * 285
TO BE ANSWERED ON 27.03.2023

DISCOUNT ON PURCHASE OF STEEL FOR MSME SECTOR

*285. SHRI MASTHAN RAO BEEDA:

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

- (a) whether Government has asked steel companies to provide discounts to MSME sector on purchase of steel;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether Government has taken the steps to aid MSMEs in the secondary steel sector; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI NARAYAN RANE)

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) to (d) OF THE
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(a) & (b): As informed by Ministry of Steel, steel is a de-regulated sector and the Government acts as a facilitator, by creating an enabling environment for development of the sector. In this role, Government has facilitated the supply of steel under four product categories (Hot Rolled Coil, Cold Rolled Coil, Wire Rods and Alloy Steel Bars) to Micro, Small and Medium Enterprise members of Engineering Export Promotion Council by major steel producers at an export parity price through *Directorate General of Foreign Trade (DGFT)* Order which provides that such sales will be considered as deemed export and steel producers can avail duty drawback on steel supplied by them. Additionally, steel Central Public Sector Enterprises (CPSEs), i.e. Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL), also provide steel to MSMEs by introducing several price-based and non-price based incentives by registering MSMEs with them to avail of such discounts & benefits on purchase of steel.

(c) & (d): Ministry of Steel notified the National Steel Policy, 2017 with a mission to provide an environment for attaining self-sufficiency in steel production by providing policy support and guidance to steel producers, which includes MSMEs in the secondary steel sector. The steps taken by Ministry of Steel, Government of India, include:

- I. Notification dated 8.5.2017, as amended in 29.5.2019 and 31.12.2020 provide for a minimum value addition of 15% in notified steel products which are covered under preferential procurement for Domestically Manufactured Iron & Steel Products (DMI&SP) Policy for promoting procurement of Made in India steel.
- II. Notification dated 12.5.2016 and 9.8.2016, provide abolition for the classification of steel producers in India, while calling for tender by major Infrastructure Ministries / Departments, like Railways, Defence, Shipping, Road Transport & Highway, Urban Development, Power, Mines etc., no steel producer is to be classified / certified as 'Integrated Steel Producers', 'Primary Steel Producers', 'Secondary Steel Producers', 'Main Producers', 'Major Producers', or 'Others'.
- III. To give relief to secondary and MSME sector steel industry engaged in Housing/construction sector, TMT bars below 8 mm have been exempted from the purview of the Quality Control Order, as these are primarily used for noncritical applications.
- IV. Exemption of Basic Customs Duty (BCD) on steel scrap and Ferro-Nickel upto 31.03.2024.
- V. Notification of steel scrap recycling policy on 7.11.2019 to enhance availability of domestically generated scrap.
- VI. Policy intervention through calibration of import and export duties on iron ore, pellets, coking coal, iron & steel products between May-November '22.
- VII. Mining and Mineral Policy reforms to enhance production/availability of iron ore.
