

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION NO. 453
TO BE ANSWERED ON: 24.07.2023

PROBLEMS FACED BY MSMEs

453. SHRI RAGHAV CHADHA:

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

- (a) whether the Micro, Small and Medium Enterprises (MSMEs) are badly hit by the rise in the prices of raw materials and the same is affecting the livelihood of lakhs of workers;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to address various issues/problems being faced by MSMEs sector in the country, particularly in the State of Punjab?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

(a) to (c): The National Small Industries Corporation Limited (NSIC), a Public Sector Undertaking under the Ministry of Micro, Small and Medium Enterprises (MSME) under its Raw Material Assistance (RMA) Scheme, facilitates MSMEs to meet their raw material requirement by making arrangements with bulk manufacturers for procuring the materials and supplying the same to MSMEs. NSIC also provides financial assistance to MSMEs under this scheme against bank guarantee for payment to the suppliers.

The Government has taken several measures to increase availability of iron ore and steel and make them available at reasonable prices which includes:

- (i) Policy intervention through calibration of import and export duties on iron ore, pellets, coking coal, iron & steel products between May-November 2022;
- (ii) Reduction of Basic Customs Duty uniformly to 7.5% on semis, flat and long products on non-alloy, alloy, and stainless steels in Union Budget 2021-22;
- (iii) Exemption of Basic Customs Duty (BCD) on steel scrap and Ferro-Nickel upto 31.03.2024;
- (iv) Mining and Mineral policy reforms to enhance production and supply of minerals;
- (v) Notification on steel scrap recycling policy to enhance availability of domestically generated scrap;
- (vi) 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;
- (vii) The units with annual turnover under the prescribed threshold limits are not required to obtain GST registration. Further, the compensation scheme in GST provides trade facilitation for MSMEs by providing lower GST rates and ease of compliance with respect to GST return filing.

Further, the Government has taken several steps to address various issues/problems in the country which include:

- (i) Rs. 5 lakh crore Emergency Credit Line Guarantee Scheme (ECLGS) for business, including MSMEs;
- (ii) Rs. 50,000 crore equity infusion through Self Reliant India Fund;
- (iii) New revised criteria for classification of MSMEs;
- (iv) No global tenders for procurement up to Rs. 200 crores;
- (v) “Udyam Registration” for MSMEs, for Ease of Doing Business;
- (vi) Launching of an online Portal “Champions” in June, 2020 to cover many aspects of e-governance including redressing grievances and handholding of MSMEs;
- (vii) Inclusion of Retail and Wholesale traders as MSMEs;
- (viii) Non-tax benefits extended for 3 years in case of an upward change in status of MSMEs;
- (ix) Launch of Udyam Assist Platform (UAP) on 11.01.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit for availing the benefit under Priority Sector Lending (PSL).

The details of assistance provided under Credit Guarantee Scheme for Micro, Small Enterprises (CGS), Emergency Credit Line Guarantee Scheme (ECLGS) and Raw Material Assistance (RMA) Scheme in the State of Punjab during last three years are as under:

Credit Guarantee Scheme for Micro, Small Enterprises (CGS)

Year	No. of Guarantees approved	Amount (Rs. in crore)
2020-21	20379	865.25
2021-22	23172	1660.53
2022-23	49720	4384.57

Emergency Credit Line Guarantee Scheme (ECLGS)

Year	No. of Guarantees approved	Amount (Rs. in crore)
2020-21	190074	7789.42
2021-22	28341	2936.44
2022-23	2640	739.62

Raw Material Assistance (RMA)

Year	Credit Support extended	Raw Material Distribution	
	Amount (Rs. in crore)	Quantity (in MTs)	Value (in lakh)
2020-21	290.53	75365	35471
2021-22	377.24	87070	54670
2022-23	456.89	81297	52587