

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
STARRED QUESTION NO. *328
TO BE ANSWERED ON: 23.03.2023

RISE IN PRICES OF RAW MATERIALS

*328. SHRI Y.S. AVINASH REDDY:

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 Andhra Pradesh?

ANSWER

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO. *328 FOR ANSWER ON 23.03.2023.

(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 vide 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 mineral;
- (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.

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 as well as street vendors for availing the Priority Sector Lending;
- (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).

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The details of assistance provided under ECLGS and RMA Scheme in the State of Andhra Pradesh during last three years are as under:

Emergency Credit Line Guarantee Scheme (ECLGS)

Year	No. of Guarantees issued	Amount Guaranteed (Rs, in crore)
2020-21	199336	6088.04
2021-22	36815	2546.48
2022-23 (as on 31.01.2023)	2684	597.18

Raw Material Assistance (RMA)

Year	Credit extended	Support Raw Material Distribution	
	Amount (Rs. in crore)	Quantity (in MTs)	Value (in lakh)
2019-20	193	592	384
2020-21	145	535	324
2021-22	218	335	152
