

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:2347
ANSWERED ON:14.12.2015
Handloom Industry
Parthipan Shri R.

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

- (a) whether the Handloom and Powerloom industries have been included in the categories of Micro, Small and Medium Enterprises (MSMEs);
- (b) if so, whether the Government has extended its scheme of providing loan to the MSMEs without collateral to the Handloom and Powerloom industries;
- (c) whether the Government has also instructed nationalised banks to increase loan facility without collateral to the Handloom and Powerloom industries; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): As per Micro, Small and Medium Enterprises Development Act, 2006, the micro, small and medium industries are classified into two,

- i) Manufacturing enterprises which are defined in terms of investment in plant and machinery, and
 - ii) Service enterprises which are defined in terms of investment in equipment.
- MSME's are not classified on the basis of sectors.

(b) to (d): Under Prime Minister's Employment Generation Programme (PMEGP), a credit linked subsidy scheme, loans upto Rs.25 lakh for manufacturing sector and Rs.10 lakh for service sector are provided to set up micro-enterprises including hand-loom and power-loom units. Project loans upto Rs.10.00 lakh are collateral free.

The government is implementing the Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGTMSE) to provide guarantee cover for collateral free credit facilities extended by Member Lending Institutions to Micro and Small Enterprises (MSEs) on loans up to Rs. 100 lakh per borrowing unit. The Scheme is implemented by Credit Guarantee Trust for Micro and Small Enterprises through Member Lending Institutions (MLIs) since August, 2000.