

**GOVERNMENT OF INDIA  
SMALL SCALE INDUSTRIES  
LOK SABHA**

STARRED QUESTION NO:337  
ANSWERED ON:14.03.2006  
CREDIT GUARANTEE FUND SCHEME  
Tripathy Shri Braja Kishore

**Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:**

- (a): whether the Government has launched a `Credit Guarantee Fund Scheme` for the Small Scale Industries;
- (b): if so, the details in this regard;
- (c): the number of SSI Units provided collateral guarantee under the scheme during each of the three years and till date, State- wise;
- (d): whether the Government proposes to create a corpus of the fund; and
- (e): if so, the details thereof?

**Answer**

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)to(e): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 337 FOR ANSWER ON 14.03.2006.

(a)&(b): Yes, Sir. To ensure better flow of credit to small and tiny enterprises by reducing the risk perception of financial institutions and banks in lending without collateral security, the Central Government launched a Credit Guarantee Fund Scheme for Small Industries on 30 August 2000, which became operational with effect from 1 January 2001. This scheme is operated by the Credit Guarantee Fund Trust for Small Industries (CGTSI) through the Trusts` member lending institutions i.e., scheduled commercial banks (public/private sector banks), select regional rural banks, National Small Industries Corporation Ltd., North Eastern Development Finance Corporation Ltd. and Small Industries Development Bank of India (SIDBI). The scheme provides guarantee up to 75 per cent of the credit to new and existing small enterprises {small scale industries (SSI)/small scale service and business enterprises (SSSBes)} on loans up to Rs. 25 lakh.

(c): The details of State/UT-wise proposals approved for guarantee cover during 2002-03, 2003-04, 2004-05 and cumulative position up to 28 February 2006 are given at Annexure.

(d)&(e): For implementation of the scheme, a corpus fund of CGTSI has been created with contribution by the Central Government and SIDBI respectively in the ratio of 4:1. Till the end of February 2006, the Central Government and SIDBI have jointly contributed Rs. 1079.07 crore to the corpus.