

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

UNSTARRED QUESTION NO:1912
ANSWERED ON:05.12.2006
CREDIT GUARANTEE FUND SCHEME
Lagadapati Shri Rajagopal

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

- (a): whether the Government has enhanced the corpus of the Credit Guarantee Fund Scheme for Small Scale Industry sector;
- (b): if so, the details thereof;
- (c): the manner in which the Ministry is planning to utilise this corpus;
- (d): whether the Government has constituted an Empowered Group for cluster development and utilise the above money optimally for cluster development apart from other things; and
- (e): if so, the details thereof?

Answer

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

(a)to(c): The corpus of the Credit Guarantee Fund Trust for Small Industries has been enhanced to Rs. 1336.55 crore. The corpus is meant for settling claims of member lending institutions (MLIs) of the Trust against loans advanced to the small scale industries by the MLIs and guaranteed by the Trust, after the MLIs have taken prescribed steps for recovery of the loans.

(d)&(e): The Government has decided to constitute an Empowered Group of Ministers to lay down policies for cluster development and oversee its implementation. The Government (Ministry of Small Scale Industries) has, however, been implementing a scheme for cluster development, namely, Small Industry Cluster Development Programme, with specific budgetary allocation.