

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

UNSTARRED QUESTION NO:5173
ANSWERED ON:27.04.2010
CREDIT GUARANTEE FUND TRUST
Deo Shri Kalikesh Narayan Singh

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

- (a) whether the Government has set up a Credit Guarantee Fund Trust for Micro, Small and Medium Enterprises;
- (b) if so, the details thereof; and
- (c) the details of the funds disbursed and number of beneficiaries during each of the last three years, State-wise?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL & MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) & (b): To ensure better flow of credit to micro and small enterprises by reducing the risk perception of financial institutions and banks in lending without collateral security, the Central Government announced a Credit Guarantee Fund Scheme for Micro & Small Enterprises on 30 August 2000, which became operational with effect from 1 January 2001. This scheme is operated by the Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) through the Trusts' member lending institutions, i.e., scheduled commercial banks (public/private/foreign banks), regional rural banks, National Small Industries Corporation Ltd., North Eastern Development Finance Corporation Ltd, Delhi Financial Corporation, Kerala Financial Corporation, Tamilnadu Industrial Investment Corporation Ltd., Jammu & Kashmir Development finance Corporation Ltd., Export Import Bank of India and Small Industries Development Bank of India (SIDBI). The scheme provides guarantee up to 85 per cent of the credit to new and existing micro and small enterprises on loans up to Rs.100 lakh.

(c): The details of State/UT-wise proposals and loan amount approved for guarantee cover during 2007-08, 2008-09 and 2009-10 are given at Annexure.