

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 4936
TO BE ANSWERED ON 16th DECEMBER, 2016 / AGRAHANAYA 25, 1938
(SAKA)

'CREDIT GUARANTEE FUND TRUST SCHEME'

4936 : SHRI SUSHIL KUMAR SINGH :

Will the Minister of FINANCE be pleased to state :

- (a) the details of the criteria to sanction loans to small scale industries under Credit Guarantee Fund Trust (CGFT) Scheme;
- (b) whether the Government sanction loans under the said scheme;
- (c) if so, the details thereof during the last three years;
- (d) whether the Government proposes to include disbursement of such loans through a single window clearance system and to sanction loan under CGFT scheme in the country; and
- (e) if so, the details thereof along with the steps taken by the Government in this regard ?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

- (a) : Credit Guarantee Trust Fund for Micro and Small Enterprise (CGTMSE) provides guarantee to its registered Member Lending Institutions (MLIs) (i.e. Scheduled Commercial Banks/Regional Rural Banks/Financial Institutions registered with CGTMSE) against the loans up to Rs.100 lakh extended by them without taking any collateral security and / or third party guarantee to Micro and Small Enterprise (MSE) units. CGTMSE extends credit guarantee under the scheme subject to the following criteria :
- i) Credit facility should be extended by MLIs without collateral security and/ or third party guarantee.
 - ii) The activity of MSE should be Manufacturing and service.
 - iii) Rate of interest charged should not exceed more than 4% of Base Rate / PLR (Primary Lending Rate).

(b) to (e) : Government does not sanction loans under the scheme.
