

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1045
ANSWERED ON:23.11.2007
SETTING UP OF FUNDS FOR THE POOR
Adsul Shri Anandrao Vithoba

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government proposes to set up two funds of Rs.500 crore each to facilitate easy availability of credit to the poor;
- (b) if so, the details thereof;
- (c) the norms fixed for loans from the fund; and
- (d) the time by which these funds are likely to become operational ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a)to(d): Hon`ble Union Finance Minister, in his budget speech for 2007-08 had announced constitution of two funds namely Financial Inclusion Fund (FIF) and Financial Inclusion Technology fund (FITF) with a corpus of Rs.500 crore each. The Committee on Finance Inclusion has submitted its interim report. The Government has decided to implement, immediately, two of the recommendations. The first is to establish a Financial Inclusion Fund with NABARD for meeting the cost of developmental and promotional interventions. The second is to establish a Financial Inclusion Technology Fund to meet the cost of technology adoption. The fund is to be contributed by Central Government, RBI and NABARD. Operational guidelines for the two funds are under process of finalisation.