

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2745
ANSWERED ON:11.03.2011
INNOVATION FUND
Panda Shri Baijayant

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has proposed to set aside an Innovation Fund for inclusive economic growth;
- (b) if so, the details thereof;
- (c) the details of stake-holders that are proposed to be involved in the process; and
- (d) the details of action-plan proposed to be worked out to achieve the objectives?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (d): Pursuant to the Union Budget Speech for 2007-08 and based on the recommendations of the Committee on Financial Inclusion, set up under the chairmanship of Dr. C. Rangarajan, the Government has constituted two funds viz. 'Financial Inclusion Fund(FIF)' for meeting the cost of developmental and promotional interventions for ensuring financial inclusion, and the 'Financial Inclusion Technology Fund (FITF)', to meet the cost of technology adoption. The funds are housed in National Bank for Rural Development (NABARD) and consist of an overall corpus of Rs. 500 crore, to be contributed by the Government of India, RBI and NABARD in a ratio of 40:40:20, in a phased manner over five years, depending upon utilization of funds.

Further, Finance Minister in his Budget Speech for 2011-12 has announced creation of a 'India Microfinance Equity Fund' of Rs. 100 crore with Small Industries Development Bank of India (SIDBI). Further, to empower women and promote their Self Help Groups(SHG), it is also proposed to create a 'Women's SHG's Development Fund' with a corpus of Rs. 500 crore.