

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:1215
ANSWERED ON:21.03.2012
SETTING UP OF VENTURE FUND
Gaikwad Shri Eknath Mahadeo

Will the Minister of PLANNING be pleased to state:

- (a) whether the Union Government proposes to set up a venture fund to foster innovation in the country;
- (b) if so, the details thereof, along with the amount allocated for this purpose;
- (c) the sectors in which this fund is likely to be utilised;
- (d) whether the National innovation centre will oversee the State innovation centres and the State Governments and other stakeholders have been consulted; and
- (e) if so, the details thereof and the time by which such centre is likely to come into effect?

Answer

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

- a) The National Innovation Council is establishing the India Inclusive Innovation Fund, as a means of financing 'inclusive innovation' directed at benefiting India's common citizens. The Fund will be a venture capital fund, focused on backing innovation focused on the core developmental needs of India's 'bottom 500 million'. In doing so, the Fund will generate both social and commercial returns. While the Fund will receive seed investment from the Government of India, it will be separately institutionalised and professionally managed.
- b) The India Inclusive Innovation Fund will receive up to 20% of its capital from the Government of India. The remaining 80% will be drawn from other sources, including public and private sector organisations, development agencies, etc. The Fund is expected to start operations when it reaches a size of Rs 500 crores. An initial investment of Rs 100 crores has been announced by the Hon'ble Minister of Finance, in his speech at the launch of the National Innovation Council's First Report to the People 2011, on 15 November 2011.
- c) The Fund will focus on core developmental sectors, where many common Indian citizens lack access to basic services like education, health, energy, agriculture, water, sanitation, and so on.
- (d & e) The State Innovation Councils are independent bodies constituted by the State Governments on the advice of the National Innovation Council. 21 States have constituted the State Innovation Council, other states are in the process of constituting the State Innovation Council.