

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

UNSTARRED QUESTION NO:5347
ANSWERED ON:27.04.2015
NATIONAL INNOVATION COUNCIL
Patil Shri Bheemrao Baswanthrao

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

- (a) whether the National Innovation Council had set up the Rs. 5,500 crore fund for development of the Micro, Small and Medium Enterprises (MSME) Sector in the country;
- (b) if so, the details thereof and the objectives of the said fund; and
- (c) the extent to which it is likely to benefit the MSME sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI GIRIRAJ SINGH)

(a) & (b): The Ministry of Micro, Small and Medium Enterprises (MSME), on the advice of the erstwhile National Innovation Council, proposed to set up a Rs. 5,000 crore dedicated fund namely 'India Inclusive Innovation Fund' for promoting grass-root innovations with social returns. The total corpus of this fund is proposed to be an initial size of Rs. 500 crore and maximum size of Rs. 5,000 crore with initial Government of India's contribution of Rs. 100.00 Crore. Since National Innovation Council has ceased to exist, a revision in the three level of Management structure has been proposed.

(c): The Fund would operate as a for-profit entity with a social investment focus. The exact extent to which the India Inclusive Innovation Fund is likely to benefit the MSME Sector has not been estimated, however it is proposed to back enterprises developing innovative solutions primarily for citizens who lie in the lower half of India's economic pyramid, with a limited physical and institutional access to basic services.