

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3743
ANSWERED ON:10.09.2007
COMMITTEE ON EXPANDING FINANCIAL SERVICES
Sarvey Shri Sathyanarayana

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has constituted any high power committee to prepare a strategy for expanding financial services to vulnerable groups, including marginal farmers;
- (b) if so, the details thereof;
- (c) whether the Committee has submitted its report; and
- (d) if so, the details thereof and the action taken thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a) & (b): The Government has constituted a `Committee on Financial Inclusion` under the Chairmanship of Dr. C. Rangarajan, ex-Governor, Reserve Bank of India to, inter alia, suggest strategy to extend financial services to small and marginal farmers and other vulnerable groups, including measures to streamline and simplify procedures, reduce transaction costs and make the operations transparent.

(c) & (d): Based on the recommendations contained in the Interim Report submitted by the Committee, Government has decided to constitute two Funds. The first is to establish a `Financial Inclusion Fund` with National Bank for Agriculture and Rural Development for meeting the cost of developmental and promotional interventions. The second is to be establish a `Financial Inclusion Technology Fund` to meet the costs of technology adoption. Each Fund will have an overall corpus of Rs.500 crore, with initial funding to be contributed by the Central Government, Reserve Bank of India and National Bank for Agriculture and Rural Development.