

Government of India
Ministry of Finance
Department of Economic Affairs
LOK SABHA
UNSTARRED QUESTION NO.1695
TO BE ANSWERED ON MONDAY JULY 31, 2023/ Sravana 9, 1945 (Saka)
HIKE IN INTEREST RATES

No.1695

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Will the Minister of **FINANCE** be pleased to state:-

- (a) the details on the specific small savings schemes that have witnessed a hike in interest rates for the July-September, 2023 period;
- (b) whether the Government has acknowledged the need to streamline small saving plans and simplify and increase exemptions under Section 80C of the Income Tax Act considering the changing economic environment and interest rate scenario and if so, the details thereof;
- (c) the steps taken/being taken by the Government to control the potential increase in fund inflows owing to this interest rate hike; and
- (d) the details of the data on the impact of high interest rates in the last quarter?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

- (a) The interest rate on National Savings Time Deposit Scheme (1 Year & 2 Year) and National Savings Recurring Deposit have been increased by 10 bps and 30 bps, respectively, in Quarter 2 (July to September) of FY 2023-24.
- (b) It has been the stated policy of the Government to simplify the Income-tax Act, 1961 by removing exemptions and incentives while at the same time reducing the rates of taxes. As such, there is no proposal to increase exemption under Section 80C of the Income Tax Act under consideration.
- (c) Investment in Small Savings Schemes are decided by the investors.
- (d) As per latest information received from O/o Controller General of Accounts, the net collection under Small Savings Schemes for the first two months of Q1 of FY 2023-24 is ₹74,937.87 crore.
