

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3186
ANSWERED ON:19.08.2011
'FUNDS FOR SMALL SAVINGS SCHEMES CORPUS'
Swamygowda Shri N Cheluvarya Swamy

Will the Minister of FINANCE be pleased to state:

- (a) the rate of interest at which Union Government allocates funds from the small savings corpus to State; and
- (b) the efforts made to reduce the same?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a): The Government allocates funds received from net small savings collections to State Governments at 9.5 per cent per annum.
- (b): The Government has accepted, in principle, the recommendation of the Thirteenth Finance Commission to reduce the interest rate on NSSF loans to the States, contracted till the end of 2006-07 and outstanding as at the end of 2009-10, at 9 per cent per annum.