

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:975
ANSWERED ON:10.07.2009
SAVING SCHEMES FOR THE DEPOSITORS
MUTTEMWAR SHRI VILAS BABURAO

Will the Minister of FINANCE be pleased to state:

- (a) whether the depositors are putting their money in saving schemes other than that of the nationalized banks;
- (b) if so, the reasons therefor and the details of their rates of interest;
- (c) whether the private sector companies are offering better rate of interests;
- (d) if so, the details thereof;
- (e) whether the Government proposes to regulate the flow of deposits with the private companies in order to secure money of the depositors; and
- (f) if so, the details thereof?

Answer

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

- (a) to (d): With the de-regulation of the interest rates relating to banks, financial institutions and debt markets, investment options available to depositors have increased both in number and variety, offering a wider choice for their savings. This has contributed directing the flow of savings into instruments other than savings schemes of the nationalized banks.
- (e) & (f): Section 58A of the Companies Act, 1956 regulates the invitation and acceptance of deposits by non-banking non-financial companies. Section 58A, 58AA, 58AAA and 620A of the Companies Act, 1956 deal with the protection of depositors.