

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5972
ANSWERED ON:11.05.2012
COLLECTION FROM SMALL SAVINGS
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Will the Minister of FINANCE be pleased to state:

- (a) the amount collected through small savings from various States in the country during each of the last three years and the ratio of said savings against the Gross Domestic Product;
- (b) the sector-wise details of the utilization of such savings during the said period;
- (c) whether the Government proposes to promote more such savings in other States of the country including Madhya Pradesh; and
- (d) if so, the details thereof along with the details of existing schemes in this regard?

Answer

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

(a): The amount collected through the various small savings schemes from various States in the country during the last three years and their percentage against the Gross Domestic Product (GDP) are as under:-

Year	Gross Deposit (in crore)	%age to GDP (At current market prices)
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2008-09	158510	2.82
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2009-10	250931	3.89
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2010-11	274720	3.58
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(b): Net collections (Gross Deposits minus withdrawals) from small saving schemes are lent to State Governments, which is one of the sources to finance the Annual Plans of the States. Part of the collections are utilised for financing Central Government expenditure.

(c) & (d): Central and State Governments take various measures from time to time to promote and popularise small saving schemes through print and electronic media as well as holding seminars, meetings and providing training to the various agencies involved in mobilising deposits under various small savings schemes.

Further, with a view to sustaining investor's interest in the small saving schemes, the feature of the schemes are reviewed from time to time and various improvements and amendments in the schemes are introduced.

With effect from 1.12.2011, the interest on Post Office Saving Account has been increased from 3.5% to 4% per annum. The maturity period for Monthly Income Scheme (MIS) and National Savings Certificate (NSC-VIII Issue) have been reduced from 6 years to 5 years. A new NSC (IX -Issue) instrument, with maturity period of 10 years, has been introduced. The annual ceiling on investment under Public Provident Fund (PPF) Scheme has been increased from Rs. 70,000 to Rs. 1 lakh. Liquidity of Post Office Time Deposit (POTD) - 1,2,3 & 5 years - has been improved by allowing pre-mature withdrawal at a rate of interest 1% less than the time deposits of comparable maturity. For pre-mature withdrawals between 6-12 months of investment, Post Office Savings Account (POSA) rate of interest will be paid.

The small saving schemes currently in operation are Post Office Savings Account (POSA), Post Office Recurring Deposit (PORD),

Post Office Time Deposit (POTD) (1,2,3 and 5 years), Monthly Income Account Scheme (MIS), National Savings Certificate (NSC) (VHI-Issue), National Savings Certificate (NSC) (IX-Issue), Senior Citizens Savings Scheme (SCSS) and Public Provident Fund (PPF).