

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4225
ANSWERED ON:22.03.2013
SMALL SAVINGS
Singh Shri Ganesh

Will the Minister of FINANCE be pleased to state:

- (a) the details of small savings made during each of the last three years and the ratio of small savings in proportion to gross domestic product of the country, State/UT-wise;
- (b) the details of utilization of such savings during the said period, sector-wise;
- (c) whether the Government proposes to launch any scheme to encourage more savings in the country; and
- (d) if so, the details thereof, State/UT-wise including Madhya Pradesh along with the steps taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE :SHRI NAMO NARAIN MEENA:

- (a): The details of the amount received from the investors in the various small savings schemes alongwith the ratio of such savings to the Gross Domestic Product of the country during the last three years are as under:-

Year	Gross Small Savings Collection (Rs in Crore)	%age to GDP (At current market prices)
2009-10	250931	3.87%
2010-11	274720	3.52%
2011-12	221913	2.47%

State/UT-wise collection under Small Savings Schemes through the network of post offices is as shown in table below:

S.No	State/UTs	(Rs in crore)		
		2009-10 Gross collection	2010-11 Gross collection	2011-12 (Prov.) Gross collection
1	Andhra Pradesh	15961.34	18071.29	13537.53
2	Bihar	8705.12	10088.08	9541.40
3	Jharkhand	4171.74	4982.21	3752.94
4	Delhi	9062.00	10904.81	6697.60
5	Jammu & Kashmir	1784.91	1980.71	1767.60
6	Karnataka	8624.50	10031.26	7523.74
7	Madhya Pradesh	6744.36	7885.84	7097.03
8	Chhatisgarh	2488.99	3193.92	3026.06
9	Orissa	4070.56	4857.93	4051.60
10	Rajasthan	12337.71	11407.19	9128.07
11	Uttar Pradesh	21771.68	23685.98	20661.28
12	Uttaranchal	3401.41	3887.63	3566.99
13	Haryana	6181.89	6644.60	5543.43
14	Tamil Nadu	12282.64	13427.46	10607.71
15	Pondicherry	203.89	177.86	107.84
16	Maharashtra	20949.18	23662.55	17137.35
17	Goa	703.15	791.40	539.43
18	Gujarat	19385.72	19366.08	15245.31

19 Kerala	6302.67	7433.29	6746.17
20 Punjab	10455.22	11220.97	9068.78
21 Himachal Pradesh	3164.24	3811.70	3510.56
22 West Bengal	30388.38	33250.93	23558.49
23 Sikkim	90.31	140.35	116.69
24 Assam	2794.57	3315.11	3151.08
25 Manipur	113.71	110.44	151.26
26 Meghalaya	247.99	309.12	298.78
27 Tripura	702.96	823.66	562.24
28 Mizoram	114.17	157.78	183.61
29 Nagaland	49.85	61.98	51.20
30 Arunachal Pradesh	160.06	143.45	182.80

(b): The funds deposited under small savings schemes are credited to National Small Savings Fund (NSSF). Net collections (gross collections minus withdrawals) are being invested in special Central Government and State Government securities, as per norms decided from time to time by the Central Government. NSSF transfers to the States form part of the Scheme of Financing of the Annual Plans of States.

(c) & (d) : Central and State Governments take various measures on continuous basis to promote and popularise small savings schemes through print and electronic media as well as holding seminars, meetings and providing training to the various agencies involved in mobilising deposits under these schemes. As part of this ongoing exercise, Government has taken the following steps to make the small savings schemes more attractive and investor friendly:-

1. The rate of interest on Post Office Savings Account (POSA) has been increased from 3.5% to 4%. The ceiling of maximum balance in POSA ` 1 lakh in single account and Rs.2 lakh in joint account) has been removed.
2. The maturity period for Monthly Income Scheme (MIS) and National Savings Certificate (NSC) has been reduced from 6 years to 5 years.
3. A new NSC instrument, with maturity period of 10 years, has been introduced.
4. The annual ceiling on investment under Public Provident Fund (PPF) Scheme has been increased from RS 70,000 to Rs 1 lakh.
5. 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.
6. The rate of interest on small savings schemes has been aligned with G-Sec rates of similar maturity, with a spread of 25 basis points (bps) with two exceptions. The spread on 10 year NSC (New Instrument) will be 50 bps and on Senior Citizens Savings Scheme 100 bps. The interest rates for every financial year will be notified before 1st April of that year.