

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

LOK SABHA

UNSTARRED QUESTION NO: 5877

ANSWERED ON:30.04.2010

PROMOTION OF SMALL SAVINGS SCHEMES

ANANT KUMAR HEGDE

- (a) the amount of small savings generated alongwith the ratio of such savings to the G.D.P. Domestic Product during each of the last three years;
- (b) the details of utilization of such savings during the period, sector-wise;
- (c) whether the Union Government has plans to encourage more such savings in future; and
- (d) if so, the details thereof alongwith details of existing schemes in this regard?

Will the Minister of FINANCE be pleased to state:-

ANSWER

MINISTER OF THE 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 during the last three years are as under:-

(Rs. in crore)

Year	Gross Small Savings Collection	As % of GDP
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2007-08	147709	2.99
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2008-09 (Prov.)	158510	2.84
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2009-10 (as at end of Feb. 2010)	211,605	3.43
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(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:-

(i) The restrictions on opening of more than one account during a calendar month under the Senior Citizens Savings Scheme has been removed with effect from 24th May, 2007.

(ii) All categories of pensioners have been allowed to open and maintain 'Pension Account' under Post Office Savings Account Rules, with effect from 11 July, 2007.

(iii) The penalty on pre-mature withdrawal of deposits under the Post Office Monthly Income Account (POMIA) scheme has been rationalised from 3.5% to 2% on withdrawal on or before expiry of three years and 1% on withdrawal after expiry of three years.

(iv) The maximum deposit ceilings of Rs. 3.00 lakh and Rs. 6.00 lakh under the Post Office

Monthly Income Account (POMIA) scheme has been raised to Rs. 4.5 lakh and Rs. 9,00 lakh in respect of single and joint accounts respectively.

(v) Bonus at the rate of 5 per cent on the deposits made under Post Office Monthly Income Account (POMIA) Scheme on or after 8th December, 2007 upon the maturity of the deposit, has been reintroduced.

(vi) The benefit of Section 80C of the Income Tax Act, 1961 has been extended to the investments made under 5-Year Post Office Time Deposits Account and Senior Citizens Savings Scheme. with effect from 1.4.2007.

(vii) Various measures are taken to promote and popularize these schemes through print and electronic media as well as by holding seminars and meetings, providing training to the various agencies involved in mobilizing collection in Small Savings Schemes, etc.

(viii) A website of the National Savings Institute under Government of India, Ministry of Finance has also been launched to facilitate interface with the public through wider dissemination of information on small savings and on-line registration and settlement of investors grievances. The website address is nsiindia.gov.in.