

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4577

ANSWERED ON:23.12.2005

`SMALL SAVINGS SCHEME`

Saradgi Shri Iqbal Ahmed

**Will the Minister of FINANCE be pleased to state:**

- (a) whether some State Governments have informed that they are no longer interested in tapping into Small Savings Schemes to finance their plans;
- (b) whether these States have informed the Union Government that they do not want loans against small savings mobilized by them;
- (c) if so, the names of these States;
- (d) whether the Government has considered the request of these States; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (e) The net small savings collections are shared with the States through investment by the National Small Savings Fund in the special securities issued by the State Governments. Pursuant to the recommendations of an Expert Committee chaired by Dr. Y.V. Reddy, the then Deputy Governor, Reserve Bank of India, 100 per cent of the net small savings collections in a State are being transferred with effect from 1st April, 2002 to the concerned State Governments. No State Government has informed that it does not want any share at all of the small savings collection mobilized by it. However, suggestions have been received from State Governments from time to time on various issues relating to small savings including the sharing of the net collections mobilized by them. These suggestions have provided valuable inputs to the Central Government in deciding these issues. For the current financial year, the share of the State Governments continues to be 100 per cent of the net collections mobilized by them.