

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1611
ANSWERED ON:01.12.2006
INTEREST RATE ON SMALL SAVINGS SCHEME
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has agreed to reduce interest rates for States borrowing from National Small Savings Fund;
- (b) if so, the details thereof;
- (c) the extent to which the interest rate is less as compared to Bank rates;
- (d) whether this would affect the availability of liquidity for depositors; and
- (e) if so, the steps taken or being taken to address the problem?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI PAWAN KUMAR BANSAL:

(a) to (e) : The rates of interest for State Government borrowings from National Small Savings Fund have remained unchanged at 9.5% since 1.4.2003. Similarly, the rates of interest on small savings schemes have remained unchanged with effect from 1.3.2003. As such, there has been no adverse impact on depositors. There is no proposal currently under consideration of Government to change these interest rates.