

## Small Savings Instruments (SSIs)

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### About Small Savings Instruments (SSIs)

- These are a set of savings instruments managed by the central government with an aim to encourage citizens to save regularly irrespective of their age.
- Features
  - They provide returns that are generally higher than bank fixed deposits.
  - Also gives a sovereign guarantee and tax benefits.
  - The interest rates on small savings schemes on a quarterly basis.
  - All deposits received under various small savings schemes are pooled in the National Small Savings Fund.
- These instruments can be classified under three heads:
  - Postal deposits (comprising savings account, recurring deposits, time deposits of varying maturities and monthly income scheme(MIS));
  - Savings certificates (National Small Savings Certificate VIII (NSC) and Kisan Vikas Patra (KVP));
  - Social security schemes [(public provident fund (PPF) and Senior Citizens' Savings Scheme(SCSS))]
- The money in the fund is used by the central government to finance its fiscal deficit.

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### Q1) What is the National Small Savings Fund?

National Small Savings Fund (NSSF) was established in 1999 within the Public Account of India for pooling the money from different small saving schemes (SSSs). Collections from all small savings schemes are credited to the NSSF. Similarly, withdrawals under small savings schemes by the depositors are made out of this Fund. The money in the account is used by the centre and states to finance their fiscal deficit.

**Source:** [PPF returns 41 bps behind formula rates](#)

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