

LOK SABHA
UNSTARRED QUESTION NO. 1990
TO BE ANSWERED ON DECEMBER 29, 2017

INCOME TAX REBATE

†1990. SHRI RAKESH SINGH:

Will the Minister of FINANCE be pleased to state:

- whether there has been a decline in savings, if so, the details thereof and the reasons therefor;
- whether the Government is likely to increase the limit of rebate in taxes for individual taxpayers, if so, the details thereof and if not, the reasons therefor; and
- whether the Government is likely to increase the minimum monthly wages, if so, the details thereof and the steps taken by the Government in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON RADHAKRISHNAN)

(a) Based on the latest data available from Central Statistics Office, gross savings as a percentage of GDP declined from 34.6 per cent in 2011-12 to 32.3 in 2015-16. At the disaggregated level, the decline in saving has been primarily on account on fall in physical savings of households which declined from 16.3 per cent of GDP in 2011-12 to 11.2 per cent in 2015-16 of GDP (as shown in table below).

| Table: Gross Saving as a percentage of GDP | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| Gross Savings | 34.6 | 33.9 | 32.1 | 33.1 | 32.3 |
| Public | 1.5 | 1.4 | 1.0 | 0.9 | 1.3 |
| Private corporate | 9.5 | 10.0 | 10.7 | 11.7 | 11.9 |
| Household | 23.6 | 22.5 | 20.3 | 20.5 | 19.2 |
| Physical* | 16.3 | 15.1 | 12.9 | 13.1 | 11.2 |
| Financial [@] | 7.4 | 7.4 | 7.4 | 7.4 | 7.9 |

Source: Based on information from Central Statistics Office
*Note: *: includes savings in valuables. @: Gross financial savings minus financial liabilities*

(b) As per information available from Department of Revenue (Central Board of Direct Taxes), currently there is no such proposal.

(c) As per the information available from Ministry of Labour & Employment, under the provisions of the Minimum Wages Act, 1948, both Central and State Governments are appropriate Governments to fix, review and revise the minimum wages of the workers employed in the scheduled employments under their respective jurisdictions. In the Central sphere, the minimum rates of wages are revised twice in a year by adding Variable Dearness Allowance (VDA) effective from 1st April and 1st October every year on the basis of Consumer Price Index number. Recently Central Government has revised the minimum rates of wages on 19.01.2017 for the scheduled employments in the Central sphere.
