

**GOVERNMENT OF INDIA  
COMMUNICATIONS AND INFORMATION TECHNOLOGY  
LOK SABHA**

UNSTARRED QUESTION NO:1647  
ANSWERED ON:08.03.2010  
SAVINGS SCHEMES OF POST OFFICES  
Joshi Shri Mahesh

**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

- (a) the number of post offices of rural areas engaged in savings schemes in the country;
- (b) the share of post office savings schemes in rural savings; and
- (c) the manner in which the Government proposes to promote rural savings through post office savings schemes in the country?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI GURUDAS KAMAT)

- (a) There are 137412 Post Offices in rural areas doing Post Office Saving Bank (POSB) work as on 31.03.2009.
- (b) The information is being collected and will be laid on the Table of the House.
- (c) Small Savings Schemes constitute a risk free investment as they carry an implicit sovereign guarantee. The Schemes are designed keeping in view the needs of different segments of investors. The schemes enjoy a number of incentives like zero risk, regular income tax concession, easy accessibility, liquidity etc. All Post Office Savings Schemes are available for both rural as well as urban people.  
  
Central and State Governments take various measures from time to time to promote and popularize small savings schemes through print and electronic media as well as holding seminars, meetings and providing training to the various agencies involved in mobilizing 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) Introduction of Bonus at the rate of 5% on the deposits made under Post Office Monthly Income Account (POMIA) Scheme on or after 8th December 2007 upon the maturity of the deposit.
  - (ii) 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 01.04.2007.
  - (iii) With effect from 1.8.2007, 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.4.50 lakh and Rs.9.00 lakh in respect of single and joint accounts respectively.
  - (iv) The penalty on pre-mature withdrawal of deposits under the Post Office Monthly Income Account (POMIA) scheme has been rationalized from 3.5% to 2% on withdrawal after one year but on or before expiry of three years and 1% on withdrawal after expiry of three years.
  - (v) All categories of pensioners have been allowed to open and maintain 'Pension Account' under Post Office Savings Account Rules, with effect from 11th July 2007.
  - (vi) The restriction 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.
  - (vii) Opening of "Zero deposit/Zero Balance" accounts for the workers employed under NREG Act, under Post Office Savings Account Rules, with effect from 26.8.2008.
  - (viii) Opening of "Zero deposit/Zero Balance" accounts for Old Age Pensioner Account under Indira Gandhi National Old Age Pension Scheme, Widows Pensioner Account under Indira Gandhi National Widow Pension Scheme and Disabled Pensioner Account under Indira Gandhi National Pension Scheme with effect from 13.10.2009.
  - (ix) National Savings Institute, a subordinate organization under the Department of Economic Affairs (Budget Division) also maintains its web site i.e nsiindia.gov.in in collaboration with National Informatics Centre to facilitate interface with the public through wider dissemination of information on small savings. The service also offers on-line registration and settlement of investor's grievances.

