

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4494
ANSWERED ON:20.08.2010
FDS UNDER SECTION C
Anandan Shri K.Murugesan

Will the Minister of FINANCE be pleased to state:

- (a) whether a demand has been made in the banking industry that all Fixed Deposits (FDs) with tenure of three years should be brought under section 80c;
- (b) if so, the details thereof; and
- (c) the action, being taken by the Government in this connection?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (c): Indian Banks' Association (IBA) has informed that Special Deposit Scheme announced by the Government for 80c benefit stipulated that amount deposited for a fixed period of not less than 5 years would alone rank for benefit. However, based on the feedback received from member banks, IBA had in the budgetary memorandum submitted to the Finance Ministry requested that the lock-in period for the deposit may be reduced to 3 years. However, the Government has not considered the above request.