

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4462  
ANSWERED ON:20.08.2010  
SENIOR CITIZENS SAVING SCHEME  
Pandurang Shri Munde Gopinathrao

**Will the Minister of FINANCE be pleased to state:**

- (a) whether there is no provision of loan or overdraft against the deposit under the Senior Citizens Saving Scheme;
- (b) if so, the details thereof alongwith reasons therefor; and
- (c) the corrective measures taken by the Government in this regard?

**Answer**

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

(a) to (c): Yes, Madam. The Senior Citizens Savings Scheme, 2004 (SCSS), was designed to meet the need of a regular flow of income for the senior citizens and retired persons with security of investment, liquidity of funds and operation convenience. Keeping in view of the above, higher rate of interest at 9 percent per annum is offered to all senior citizens under this scheme. Persons who are 60 years of age and above can make a deposit under the scheme. Those retired persons who are 55 years of age and above but below 60 years are also eligible to invest their retirement benefits subject to maximum deposit limit of Rs. 15 lakh under the scheme.

Facility of loan or overdraft against the deposit would necessitate pledging of the deposit under this scheme. As a consequence, the subscriber of a pledged account will not be able to withdraw the interest amount periodically defeating the very purpose of the scheme.