

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

UNSTARRED QUESTION NO:4333
ANSWERED ON:06.12.2010
POPULARITY OF POSTAL SERVICES
Shantha J.

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

- (a) whether the Post Office Saving Schemes are not popular in the country;
- (b) if so, the details of shares invested in the Post Office Saving Schemes in proportion to other financial institutions; and
- (c) the steps taken by the Government to attract more and more people to invest in the Post Offices?

Answer

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

(a) & (b) Sir, The Post Office Savings Schemes are popular in the country. The investment in any scheme is a function of the choices available to an investor at any given time. As on 31st March 2009, 32.16% of total investors in the banking sector had invested in the Post Office Saving Schemes.

(c) The Central and State Governments take various measures from time to time to promote and popularize small saving schemes through print and electronic media as well as holding seminars, meetings and providing training to various agencies involved in mobilizing deposits under the schemes. As part of this ongoing exercise, Government has taken following steps to make the small savings schemes more attractive and investor friendly:-

(1) 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.

(2) 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.

(3) 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.

(4) 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 on or before expiry of three years and 1% on withdrawal after expiry of three years.

(5) 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.

(6) 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.

(7) Opening of " Zero deposit/Zero Balance" accounts for workers employed under NREG Act, under Post Office Savings Account Rules, with effect from 26th August 2008.

(8) Opening of " Zero deposit/Zero Balance" accounts for Old Age Pensioner Account under Indira Gandhi Old Age Pension Scheme, Widows Pensioner Account under Indira Gandhi National Widow Pension Scheme and Disabled Pensioner Account under Indira Gandhi National Disabled Pension Scheme with effect from 13th October 2009.

(9) 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 and on -line registration and settlement of investor's grievances.