

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2853

ANSWERED ON:26.11.2010

‘DEREGULATION OF INTEREST RATES IN SMALL SAVING SCHEMES’

Haque Shri Sk. Saidul

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is considering to deregulate interest rates on small saving schemes like Public Provident Fund (PPF) and post office deposits, linking them to prevailing interest rates in the markets; and

(b) if so, the reasons therefor?

Answer

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

(a) & (b): No, Sir. There is no such proposal at present.

Interest rates on Small Savings Schemes are Administered Interest Rates, and are benchmarked to the average annual yield on Government Securities of comparable maturity in the secondary market, with a suitable spread subject to a maximum of 50 basis point over the benchmark yield.