

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

UNSTARRED QUESTION NO:4179
ANSWERED ON:03.08.2009
STATUS OF BANK TO POSTAL DEPARTMENT
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government has decided to accord the status of Bank to the Postal Department;
- (b) if so, the details thereof;
- (c) the total amount of money deposited alongwith the number of investors with the Department of Posts under postal services during the last three years and the current year;
- (d) whether the number of depositors with the Department of Posts is continuously decreasing;
- (e) if so, the reasons therefor; and
- (f) the steps taken/being taken by the Government to increase the amount of deposits with the Department of Posts and the number of depositors?

Answer

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

(a) & (b) No, Sir. There is no proposal to accord status of bank to the Postal Department.

(c) Department of Posts receives deposits only under Post Office Small Savings Schemes. The details of amount of money deposited alongwith the number of depositors during the last three years and the current year are as follows:

Year No. of Accounts Money deposited
(in Crores) (Rs. in Crores)

2006-07 17.39 154417.29

2007-08 17.47 128971.64

2008-09 20.50 146697.43

2009-10 21.24 43743.66

(upto June, 09)

(d) No, Sir. There is no decrease in number of depositors.

(e) Does not arise in view of (d) above.

(f) Since these Savings Schemes are governed by Ministry of Finance, following measures have been put in place by them to increase the amount of deposits and number of investors with the Department of Posts:

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.

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.

The penalty on premature 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.

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.

Bonus at the rate of 5% on deposits made under the Post Office Monthly Income Account (POMIA) scheme on or after 8th December, 2007 upon maturity of the deposit has been reintroduced.

The benefit of Section 80C of the Income Tax Act, 1961 has been extended to the investments made under 5 year Post Office Time Deposit Account and Senior Citizens Savings Scheme, with effect from 01.04.2007.