

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

UNSTARRED QUESTION NO:291
ANSWERED ON:23.11.2011
INTEREST ON POSTAL SAVINGS SCHEMES
Semmalai Shri S.

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

- (a) whether the interest rates on various postal savings schemes are not attractive;
- (b) if so, the reasons therefor;
- (c) whether the Government proposes to increase the interest rates for the various post office savings schemes;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the Government has reduced the commission paid to the small savings scheme agents;
- (f) if so, the details thereof and the reasons therefor;
- (g) whether the Government proposes to increase the said commission; and
- (h) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) & (b) Madam, the interest rates on various small savings schemes are administered interest rates. These are benchmarked to average annual yield on Government Securities of comparable maturity with suitable spread.

(c) & (d) Yes Madam. The Government has decided to revise interest rates on small savings schemes from 1.12.2011 as per following details:-

Savings Scheme	Current rate(%) from 1.12.2011	Revised Rate (%)
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Savings Account	3.5	4.0
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1 Years Time Deposit	6.25	7.7
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2 Years Time Deposit	6.5	7.8
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3 Years Time Deposit	7.25	8.0
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5 Years Time Deposit	7.50	8.3
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5 Years Recurring Deposit 7.50 8.0

5 Years Sr. Citizen Savings Scheme 9.0 9.0

5 Years Monthly Income Account Scheme 8.0 (6 years MIS) 8.2

5 Years NSC 8.00 (6 Years NSC) 8.4

10 Years NSC New Scheme 8.7

Public Provident Fund (PPF) 8.00 8.6

(e) Yes Madam.

(f) The Government has decided to revise rates of commission from 1.12.2011 as per following details:-

Savings Scheme Current rate(%) Revised Rate (%) from 1.12.2011

1 Years Time Deposit 1.0 0.50

2 Years Time Deposit 1.0 0.50

3 Years Time Deposit 1.0 0.50

5 Years Time Deposit 1.0 0.50

5 Years Recurring Deposit 4.0 4.0

5 Years Sr. Citizen Savings 0.50 0

5 Years Monthly Income Account Scheme 1.0 0.50

5 Years NSC 1.0 0.50

10 Years NSC New scheme 0.50

Public Provident Fund (PPF) 1.0 0

(g) & (h) Does not arise in view of (f) above.