

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2924

ANSWERED ON:24.07.2009

RATES OF INTERESTS IN SMALL SAVINGS SCHEMES

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Will the Minister of FINANCE be pleased to state:

- (a) the details of Small Savings Schemes operated in the Post Offices and Public Sector Banks alongwith the rates of interest applicable to each such scheme;
- (b) whether the rise in prices of essential commodities have upset the rates of interest offered by Post Offices and Banks; and
- (c) if so, the facts thereof and reaction of the Government thereto?

Answer

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

(a) The Small Savings Schemes being operated in the Post Offices and Public Sector Banks and the rates of interest applicable to these schemes are as under:

Name of the Scheme	Rate of Interest (per annum)/Maturity Value
1 Post Office Savings Deposit	3.50 percent
2 Post Office Time Deposit	
1 Year	6.25 percent
2 Years	6.50 percent
3 Years	7.25 percent
5 Years	7.50 percent
3 Post office Recurring Deposit (5 Years) (Maturity Value of a Rs. 10 denomination account)	Rs. 728.90 (around 7.50 percent)
4 Monthly Income Account (6 Years)	8.00 percent plus Bonus @ 5 percent payable on maturity (on new accounts opened on or after 8-12-2007). Bonus @ 10 percent was payable on the accounts opened prior to 13-2-2006, which was withdrawn on new accounts opened w.e.f. 13-2-2006.
5 National Savings Certificate (VIII Issue) (Maturity value of a certificate of Rs. 100 denomination)	Rs. 100 become Rs. 160.10 in 6 Years (8.20 percent)
6 Kisan Vikas Patra	Amount Doubles in 8 Yrs & 7 Months (around 8.40 percent)

7 Public Provident Fund (15 Years) 8.00 percent

8 Senior Citizen Savings Scheme(5 Years) 9.00 percent

Only these schemes are also operated through Banks.

(b) & (c) The rates of interest on Small Savings Schemes are not fixed with reference to prices of essential commodities.