

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

UNSTARRED QUESTION NO:4135  
ANSWERED ON:05.09.2012  
SAVING SCHEME IN POST OFFICES  
Maadam Shri Vikrambhai Arjanbhai

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

- (a) the number of operational small saving accounts in post offices as on date and the amount deposited therein by the common man;
- (b) the number of accounts closed by customers during the year 2011 and 2012 as on date;
- (c) the amount deposited with the Government through small saving schemes;
- (d) whether the small savings in post offices are declining; and
- (e) if so, the details thereof and the action taken by the Government in this regard?

**Answer**

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

- (a) Madam, there were 26,01,69,920 number of operational small savings accounts in the Post Offices as on 31.03.2012 and the amount deposited therein upto the end of March 2012 was Rs. 190732.73 crore.
- (b) 2,84,10,593 accounts were closed by customers during the financial year 2011-12.
- (c) The amount deposited in small savings schemes through post offices during financial year 2011-12 was Rs. 190732.73 crore.
- (d) Yes Madam, the gross deposit of Small Savings Scheme declined in the financial year
- (e) The decline of gross deposit in small savings schemes refer to inter-alia, investor's choice of alternative instruments for effecting savings. The Government has taken following measures to make the small saving schemes more attractive:-
  1. The rate of interest on Post Office Savings Account (POSA) has been increased from 3.5% to 4%. The ceiling of maximum balance in POSA 1 lakh in single account and 2 lakh in joint account) has been removed.
  2. The maturity period for Monthly Income Scheme (MIS) and National Savings Certificate (NSC) has been reduced from 6 years to 5 years.
  3. A new NSC instrument, with maturity period of 10 years, has been introduced.
  4. The annual ceiling on investment under Public Provident Fund (PPF) Scheme has been increased from Rs. 70,000 to Rs. 1 lakh.
  5. Liquidity of Post Office Time Deposit (POTD) – 1, 2, 3 & 5 years – has been improved by allowing pre-mature withdrawal at a rate of interest 1% less than the time deposits of comparable maturity. For pre-mature withdrawals between 6-12 months of investment, Post Office Savings Account (POSA) rate of interest has been allowed.
  6. Central and State Governments take various measures from time to time to promote and popularise small saving scheme through print and electronic media as well as by holding seminars, meetings and providing training to the various agencies involved in mobilising deposits under various small savings schemes. The rate of interest on Small Savings Schemes has been aligned with Government-Security rates of similar maturity with a spread of 25 basis points (bps) in all schemes except 10 Years National Savings Certificates (IX-Issue) and Sr. Citizens Savings Scheme where the spread of 50 bps and 100 bps has been given respectively (100 bps are equal to 1%). Interest rate for every financial year will now be notified before 1st April of that year. The Interest Rates of Small Savings Schemes notified from 1.4.2012 are given below:-

Scheme                      Rate of Interest  
in % w.e.f. 1.4.2012

Savings Account Deposit	4.0
1 year Time Deposit	8.2
2 year Time Deposit	8.3
3 year Time Deposit	8.4

5 year Time Deposit	8.5
5 year Recurring Deposit	8.4
5 year Sr. Citizens Savings Scheme	9.3
5 year Monthly Income Accounts	8.5
5 year National Savings Certificates (VIII-Issue)	8.6
10 year National Savings Certificates (IX-Issue)	8.9
Public Provident Fund	8.8