

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

UNSTARRED QUESTION NO:2052

ANSWERED ON:05.12.2012

POSTAL SAVING SCHEME

Agarwal Shri Rajendra;Jaiswal Shri Gorakh Prasad ;Singh Shri Bhola;Singh Shri Jitender ;Singh Shri Sushil Kumar;Sinh Dr. Sanjay

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

- (a) whether the expert group constituted under Shyamala Gopinath has recommended for raising the interest rate of Postal Saving Scheme;
- (b) if so, the details thereof and the action taken by the Government in this regard;
- (c) the rate at which remuneration is paid to the postal department by the Government for performing agency of small savings schemes;
- (d) whether the postal department has demanded an increase in the rate of remuneration recently; and
- (e) if so, the details thereof and the reaction of the Government thereto?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (Dr. KRUPARANI KILLI)

(a) Yes, Madam.

(b) The recommendations of the Committee were as follows :-

1. The maturity period for Monthly Income Scheme (MIS) and National Savings Certificate (NSC) to be reduced from 6 years to 5 years.
2. A new NSC Instrument, with maturity period of 10 years, be introduced.
3. The annual ceiling on investment under Public Provident Fund (PPF) Scheme to be increased from Rs 70000/- to Rs 100000/-.
4. Liquidity of Post Office Time Deposit (POTD) – 1, 2, 3 & 5 years – to be 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 06-12 months of investment, Post Office Savings Account (POSA) rate of interest be paid.
5. The rate of interest on small savings schemes should be aligned with G-Sec rate of similar maturity, with a spread of 25 basis point (bps) with two exceptions. The spread on 10 year NSC (New Instrument) should be 50 bps and on Senior Citizens Savings Scheme 100 bps. The interest rates should be reviewed and notified for every financial year before 1st April of that year.

The Government considered these recommendations in detail, taking into account views/comments from States/Union Territories and representation received from various agents' Associations, Members of Parliament and others. The Government has, inter alia, accepted these recommendation and notified new interest rates for 2012-13 from 01.04.2012 which are as follows:-

Scheme      Rate of interest w.e.f. 01.04.2012

Savings 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 SCSS	9.3

5 year MIS	8.5
5 year NSC	8.6
10 year NSC	8.9
PPF	8.8

(c) Department of Posts is getting remuneration from Ministry of Finance, Department of Economic Affairs for performing agency of Small Savings Schemes at the following rate:-

Financial Year	Rate of Remuneration (in Rs)			
	Per Live Account Issued + Discharged	Per Certificate Discharged	Per IVP Account	Per Silent
2012-13	163.22	55.77	14.77	24.75

(d) No, Madam.

(e) Does not arise in view of above.