

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

UNSTARRED QUESTION NO:1437  
ANSWERED ON:06.03.2013  
POSTAL SAVING ACCOUNTS  
Pandey Shri Ravindra Kumar

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

- (a) the number of postal saving accounts opened in post offices and the amount deposited therein during the last three years, State-wise;
- (b) whether there has been decline in deposits in postal saving schemes and people are withdrawing money from postal accounts;
- (c) if so, the reaction of the Government thereto;
- (d) the comparative deposits in postal saving accounts as on date as compared to deposits in 2001; and
- (e) the measures taken by the Government for promotion of postal saving schemes?

**Answer**

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

- (a) Madam, the number of Post Office Saving Bank Accounts opened in post offices and the amount deposited therein during the last three years, Postal Circle wise; are given in the attached Annexure-I
- (b) Madam, there was increase in gross deposit in post office savings bank accounts in the year 2010-11 as compared to the year 2009-10. However, there was decline in gross deposit in the year 2011-12.
- (c) The decline of gross deposit in small savings schemes refer to inter-alia, investor's choice of alternative instruments for effecting savings. However, Government takes various measures from time to time to make Small Savings Schemes more attractive.
- (d) In the year 2001-02, outstanding deposit in post office savings bank accounts was Rs. 1004.48 crore and as on 31.12.2012, outstanding deposit in post office savings bank accounts
- (e) The Government has taken following measures for promotion of small saving schemes :-
  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