

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

UNSTARRED QUESTION NO:2831

ANSWERED ON:10.12.2014

POSTAL SAVINGS SCHEME

Chautala Shri Dushyant;Gaikwad Dr. Sunil Baliram;Mishra Shri Bhairon Prasad;Scindia Shri Jyotiraditya Madhavrao

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

- (a) whether the Government proposes to hike the rate of interest on post office deposits and if so, the details thereof;
- (b) whether the Government proposes to make the various saving schemes of post office more attractive to make them investor friendly and tax free for citizens and if so, the details thereof;
- (c) whether the Government has expanded the service of post offices by including various saving schemes under postal services;
- (d) if so, whether the Government has placed adequate employees in post offices across the country so as to look after the additional services/ schemes; and
- (e) if so, the details thereof including the total number of services/schemes included under postal services ?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI RAVI SHANKAR PRASAD)

(a) Madam, Interest rates on small savings schemes are Administered Interest Rates, and are benchmarked to the average annual yield on Government Securities of comparable maturity in the secondary market, with a suitable spread over the benchmark yield, depending upon the maturity and liquidity of the instruments and are reset to be effective from every 1st day of a financial year.

(b) Central and State Governments take various measures on continuous basis to promote and popularise small savings schemes. As part of this ongoing exercise, Government has taken the following steps to make the small savings schemes more attractive and investor friendly:-

(i) The annual ceiling on investment under Public Provident Fund (PPF) Scheme has been increased from Rs 1 lakh to Rs 1.5 lakh w.e.f. Financial Year 2014-15.

(ii) A new KVP instrument, with maturity period of 100 months, has been re-introduced with no ceiling of investment w.e.f.18th November, 2014.

(iii) A new scheme for girl child 'Sukanya Samridhi Account' has been notified on 2nd December, 2014.

(iv) The rate of interest on small savings schemes has been aligned with G-Sec rates of similar maturity. The interest rates for every financial year will be notified before 1st April of that year.

(v) Investment under most small savings schemes gets tax rebate.

(c), (d) & (e) Recently a new small savings scheme named Kisan Vikas Patra has been launched and is being run through post offices. Another small savings scheme for girl child namely 'Sukanya Samridhi Account' has been notified and will be run through post offices. Staff establishment review is done periodically for different post offices. Adequate employees are available in post offices across the country to look after the additional services/schemes. The details of total number of services/schemes under Postal Savings Schemes included under postal services are as under:

Saving Account Deposit

Time Deposit Accounts (1 year, 2 years, 3 years and 5 years)

Monthly Income Accounts

Recurring Deposit Accounts

Senior Citizens Savings Scheme Accounts

Public Provident Fund Accounts

National Savings Certificates

Kisan Vikas Patra