

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

UNSTARRED QUESTION NO:2834
ANSWERED ON:10.12.2014
POSTAL COMMISSION AGENTS
Jayadevan Shri C. N.

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

- (a) whether the Government has reduced/proposes to reduce the commission paid to agents on the post office deposits and withdraw PPF agency from them;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has received any representations from the representatives of postal agents from various States including Telangana in this regard;
- (d) if so, the details thereof; and
- (e) the steps taken/being taken by the Government to protect the families of postal agents from penury?

Answer

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

- (a) Yes Madam. The commission paid to agents has been reduced and the commission on Senior Citizens Savings Scheme (SCSS) and Public Provident Fund (PPF) has been discontinued w.e.f. 1.12.2011.
- (b) The new commission structure is as under:-
 - (i) The Commission of Mahila Pradhan Kshetriya Bachat Yojana (MPKBY) agents has remained unchanged and is 4% of the investments secured by them in Five Year Recurring Deposit Accounts.
 - (ii) The commission of Standardised Agency System (SAS) agents was reduced from 1% to 0.5% of the investments through them on Term Deposit (TD), Monthly Income Scheme Account (MIS), National Savings Certificates (NSCs), and Kisan Vikas Patra (KVP).
 - (iii) The commission on SCSS and PPF has been discontinued.

A Committee headed by Smt. Shyamala Gopinath, Deputy Governor, Reserve Bank of India, was set up by the Government for comprehensive review of National Small Savings Fund (NSSF), which inter-alia, recommended rationalisation of commission rate structure. The rationale of commission structure suggested by committee along with its recommendations was accepted and the Government reduced/abolished the agency commission w.e.f. 1.12. 2011.

- (c) Yes. Representations of Small Savings Agents' Associations from various states were received in the past and are being received even now.
- (d) Broadly, the demand in all representations is to restore the commission rate and structure which existed prior to 1.12.2011.
- (e) After taking into account large number of representations received in the past from Small Savings Agents' Associations, Members of Parliament, other dignitaries and others, the Government accepted rationale of commission structure suggested, and most of the recommendations of Shyamala Gopinath Committee. The purpose of rationalisation of commission was to give market linked rates to investors; market linked interest rates on loans to States and Centre and to ensure viability of National Small Savings Fund (NSSF). To this effect, the decision of Government balances the interests of investors and agents.