

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

UNSTARRED QUESTION NO:2843
ANSWERED ON:11.05.2016
Postal Saving Schemes
Singh Shri Ganesh

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

- (a) the details and features of the postal saving schemes/instruments available to fulfil the requirement of different investors;
- (b) the amount deposited therein, scheme-wise along with the deposits during the last three years and the current year; and
- (c) the steps taken/proposed to be taken by the Government to mobilise more resources under various postal saving schemes?

Answer

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

- (a) Madam, the details and features of the postal saving schemes/instruments available to fulfil requirement of different investors are shown in Annexure- I
- (b) The scheme-wise amount deposited during the last three years and the current year is shown in Annexure – II
- (c) Central and State Governments take various measures from time to time to promote and popularize small saving schemes through print and electronic media as well as by holding seminars, meetings and providing training to various agencies involved in mobilizing deposits under these schemes. A website of the National Savings Institute under Government of India, Ministry of Finance has also been launched to facilitate interface with the public through wider dissemination of information on small savings and on-line registration and settlement of investor's grievances. The website's address is "nsiindia.gov.in." Department of Posts takes following steps on regular basis to mobilize investment under various savings schemes:-
 - (i) Door to door contact for opening of accounts through field staff by way of handbills, flyers etc. and distributing pamphlets to customers who visit post offices.
 - (ii) Organizing Seminars/Melas/Road Shows to open savings accounts, particularly in rural areas.
 - (iii) Each Post Office is directed to target unbanked population for opening of Accounts.

Annexure- I

Details and Features of the Postal Saving Schemes/instruments available for investors:

- <pre>
- | Sl.No. | Scheme/Instruments | Salient features |
|--------|--|--|
| 1 | Post Office Savings Account | <ul style="list-style-type: none">â€¢ Account can be opened by cash only with Rs. 20/- .â€¢ Minimum balance to be maintained in a non- cheque facility account is INR 50/- and cheque account Rs. 500/-.â€¢ Any amount can be retained as balance.â€¢ Interest earned is Tax Free up to INR 10,000/- per year.â€¢ Nomination facility is available.â€¢ Account can be transferred from one post office to another free of cost.â€¢ Account can be opened by an individual only.â€¢ Account can be a single or Joint.â€¢ Joint account can be opened by two or three adults.â€¢ A guardian can open account on behalf of minor and a minor of the age of 10 Years and above can also open and operate account independently.â€¢ ATM/Debit Cards can be issued to Savings Account holders (having prescribed minimum balance on the day of issue of card) of CBS Post offices.â€¢ Interest rate payable is 4.0%per annum. |
| 2 | 5-Year Post Office Recurring Deposit Account | <ul style="list-style-type: none">â€¢ Account can be opened by cash or cheque.â€¢ Minimum Monthly Installment is Rs.10/- and further any amount in multiples of Rs. 5/- . No maximum limit.â€¢ Nomination facility is available.â€¢ Account can be transferred from one post office to another Free of cost.â€¢ Any number of accounts can be opened in any post office. |

- â€¢ Account can be opened in the name of minor and a minor of 10 years and above age can open and operate the account.
- â€¢ Joint account can be opened by two adults.
- â€¢ Account can be opened by an individual only. Account can be a single or Joint.
- â€¢ A guardian can open account on behalf of minor and a minor of the age of 10 Years and above can also open and operate account independently.
- â€¢ Subsequent deposit can be made up to 15th day of next month if account is opened up to 15th of a calendar month and up to last working day of next month if account is opened between 16th day and last working day of a calendar month.
- â€¢ If subsequent deposit is not made up to the prescribed day, a default fee @ 5 paisa for every 5 rupees is charged for each default.
- â€¢ There is rebate on advance deposit of at least 6 installments.
- â€¢ Single account can be converted into Joint and Vice Versa.
- â€¢ One withdrawal up to 50% of the balance allowed after one year.
- â€¢ From 1.4.2016, interest at the rate of 7.4% per annum is payable.
- â€¢ On maturity, account of monthly installment of Rs. 10/- fetches Rs.726.97 after 5 years on maturity.
- â€¢ Account can be continued for another 5 years on year to year basis.

3 Post Office Time Deposit Account

- â€¢ Account can be opened for 1/2/3/5 Years period.
- â€¢ Minimum amount to be deposited is Rs. 200/- and further in the multiple of Rs.200/-thereof.
- â€¢ Any amount can be deposited. There is no Maximum limit.
- â€¢ Account can be opened by cash or cheque.
- â€¢ Nomination facility is available.
- â€¢ Account can be transferred from one post office to another, free of cost.
- â€¢ Any number of accounts can be opened in any post office.
- â€¢ Account can be opened by an individual only.
- â€¢ Account can be a single or Joint.
- â€¢ Joint account can be opened by two adults.
- â€¢ A guardian can open account on behalf of minor and a minor of the age of 10 Years and above can also open and operate account independently.
- â€¢ The investment under 5 Years TD qualifies for the benefit of Income Tax rebate under Section 80C of the Income Tax Act, 1961.
- â€¢ Interest in TD Account is payable annually.
- â€¢ From 1.4.2016, interest is payable at the following rates:-

â€¢ Period Rate

- 1yr.A/c 7.1%
- 2yr.A/c 7.2%
- 3yr.A/c 7.4%
- 5yr.A/c 7.9%

4 Post Office Monthly Income Account Scheme

- â€¢ Account can be opened by an individual only. Account can be a single or Joint.
- â€¢ Joint account can be opened by two or three adults.
- â€¢ A guardian can open account on behalf of minor and a minor of the age of 10 Years and above can also open and operate account independently.
- â€¢ Account can be opened with Rs.1500/- and further in multiples thereof.
- â€¢ Maximum investment limit is Rs. 4.5 lakhs in single account and Rs. 9 lakhs in joint account.
- â€¢ Account can be opened by cash or cheque.
- â€¢ Nomination facility is available.
- â€¢ Account can be transferred from one post office to another free of cost.
- â€¢ Any number of accounts can be opened in any post office subject to maximum investment limit by adding balance in all accounts.
- â€¢ Maturity period of account is 5 years
- â€¢ Interest can be drawn through auto credit into savings account.
- â€¢ Can be prematurely closed after one year but before 3 years at the discount of 2% of the deposit and after 3 years at the discount of 1% of the deposit. (Discount means deduction from the deposit.)
- â€¢ From 1.4.2016, interest rate is 7.8% per annum and payable monthly.

5 Senior Citizen Savings Scheme

- â€¢ Account can be opened with minimum of Rs.1000/- and further in multiple thereof.
- â€¢ Maximum limit of investment is Rs. 15 lakh.
- â€¢ An individual of the Age of 60 years or more can open the account.
- â€¢ An individual of the age of 55 years or more but less than 60 years who has retired on superannuation or under VRS can also open account subject to the condition that the account is opened within one month of receipt of retirement benefits and amount should not exceed the amount of retirement benefits.
- â€¢ Maturity period is 5 years.
- â€¢ A depositor may operate more than one account in individual capacity or jointly with spouse (husband/wife).
- â€¢ Account can be opened by cash up to Rs.1 lakh and by cheque for above Rs.1 Lakh.
- â€¢ Nomination facility is available.
- â€¢ Account can be transferred from one post office to another.
- â€¢ Any number of accounts can be opened in any post office subject to maximum investment limit by adding balance in all accounts.
- â€¢ Joint account can be opened with spouse only and first depositor in Joint account is the investor.
- â€¢ Interest can be drawn through auto credit into savings account.

- â€¢ Premature closure is allowed after one year on deduction of an amount equal to 1.5% of the deposit & after 2 years 1% of the deposit.
 - â€¢ After maturity, the account can be extended for further three years within one year of the maturity by giving application in prescribed format.
 - â€¢ TDS is deducted at source on interest if the interest amount is more than INR 10,000/- p.a. and depositor has not given declaration in Form 15G or 15H.
 - â€¢ Investment under this scheme qualifies for the benefit of Section 80C of the Income Tax Act, 1961.
 - â€¢ From 1.4.2016, interest is 8.6% per annum and payable on quarterly basis on 31st March/30th June/30th Sept/31st December.
- 6 15 year Public Provident Fund Account
- â€¢ An individual can open account with Rs. 100/- but has to deposit minimum of Rs. 500/- .Maximum limit of deposit is Rs.1, 50,000/- in a financial year.
 - â€¢ Joint account cannot be opened.
 - â€¢ Account can be opened by cash or cheque.
 - â€¢ Deposits can be made in lump-sum or in maximum 12 installments.
 - â€¢ Nomination facility is available.
 - â€¢ The subscriber can open another account(s) in the name of minor(s) but subject to maximum investment limit by adding balance in all accounts.
 - â€¢ Maturity period is 15 years but the same can be extended within one year of maturity for further 5 years and so on.
 - â€¢ Maturity value can be retained without extension and without further deposits also.
 - â€¢ Premature closure is not allowed before 15 years.
- Deposits qualify for deduction from income under Sec. 80C of IT Act.
- â€¢ Interest is completely tax-free.
 - â€¢ Partial withdrawal is permissible every year from 7th financial year from the year of opening of account.
 - â€¢ Loan facility is available from 3rd financial year from the year of opening of account.
 - â€¢ No attachment under court decree order.
 - â€¢ From 1.4.2016, interest is 8.1% is admissible.

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National Savings Certificate (VIII Issue)

- â€¢ It can be purchased with minimum of Rs.100/- and in multiple thereof.
 - â€¢ No maximum limit.
 - â€¢ A single holder type certificate can be purchased by an adult for himself or on behalf of a minor or by a minor.
 - â€¢ Deposits qualify for tax rebate under Sec. 80C of IT Act.
 - â€¢ The interest accrues annually but deemed to be reinvested under Section 80C of IT Act.
 - â€¢ Transfer of certificates from one person to another can be done only once from date of issue to date of maturity.
 - â€¢ From 1.4.2016, Rs.100/- shall become Rs.147.61 after 5 years.
- 8 Kisan Vikas Patra (KVP)
- â€¢ Certificate can be purchased by an adult for himself or on behalf of a minor or by two adults.
 - â€¢ KVP can be purchased from any Departmental Post office.
 - â€¢ Certificate can be prematurely encashed after 2 & 1/2 years from the date of issue.
 - â€¢ Can be purchased for Rs.1000/- and in multiple thereof.
 - â€¢ From 1.4.2016, Amount invested doubles in 110 months (9 years & 2 months)
- 9 Sukanya Samriddhi Accounts
- â€¢ A legal Guardian/Natural Guardian can open account in the name of a Girl Child.
 - â€¢ A guardian can open only one account in the name of one girl child and maximum two accounts in the name of two different Girl children.
 - â€¢ Account can be opened up to an age of 10 years only from the date of birth.
 - â€¢ Minimum deposit in a financial year is Rs. 1000/- and Maximum Rs. 1, 50,000/-.
 - â€¢ Subsequent deposit can be in the multiple of Rs. 100/-. Deposits can also be made in lump-sum.
 - â€¢ No limit on number of deposits either in a month or in a Financial year
 - â€¢ If minimum Rs 1000/- is not deposited in a financial year, account will become discontinued and can be revived with a penalty of Rs 50/- per year with minimum amount required for deposit for that year.
 - â€¢ Partial withdrawal maximum up to 50% of balance standing at the end of the preceding financial year can be taken after Account holder's attaining age of 18 years or passing 10th Standard for higher education.
 - â€¢ Account can be closed after completion of 21 years from the date of opening.
 - â€¢ If account is not closed after maturity, no interest will be payable on the balance amount.
 - â€¢ Normal Premature closure will be allowed after completion of 18 years of age on account of marriage of the girl child either before one month of proposed marriage or within 3 months of actual marriage.
 - â€¢ From 1.4.2016, interest rate admissible is 8.6% Per Annum

Annexure-II

The details of amount deposited scheme-wise during the last three years and current year.

(RS. IN THOUSANDS)

Sl. No. Schemes Amount of deposits

2012-13 2013-14 2014-15 2015-16 (up to Feb. 2016)

01. Post Office Saving Bank Account 837164580 887970839 1103122683 1497779811
02. 5 year Post office Recurring Deposit 358984024 386530953 418944810 403064485
03. Post Office Time Deposit Account
1 Year 153990472 205158211 282415726 358084772
2 Year 6429463 7023072 8549931 13008222
3 Year 12570595 12883707 11793756 14568307
5 Year 18535906 21727706 28147020 38783264
04. Post Office Monthly Income Account 190497796 179941239 215848355 315189642
05. Senior Citizen Savings Scheme 19788433 19978962 30070498 103198692
06. 15 Year Public Provident Fund account 72223113 81353677 97568411 67719094
07. National Savings Certificate (VIII Issue) 191015510 169471878 168161319 98232564
08. *Kisan Vikas Patra 0 0 26706632 216138135
09. Sukanya Samriddhi Accounts 0 0 5216926 51159162
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*KVP was discontinued from 01.12.2011 and re-introduced from 18.11.2014.
