

Government of India  
Ministry of Finance  
Department of Economic Affairs

**LOK SABHA**

**UNSTARRED QUESTION NO.588**

TO BE ANSWERED ON FRIDAY 18<sup>TH</sup> NOVEMBER, 2016

**“INTEREST RATE ON POST OFFICE DEPOSITS”**

No.588

SHRI MANSUKHBHAI DHANJIBHAI VASAVA,  
SHRI S.P. MUDDAHANUME GOWDA

Will the Ministry of FINANCE be please to state:-

- (a) Whether the interest rate on the long term saving deposits in post offices is less than the interest rate of the Public Sector Banks (PSBs);
- (b) if so, the details thereof and the reasons therefor;
- (c) the percentage of savings in the savings schemes in post offices at present out of the saving deposits in the savings schemes of PSBs; and
- (d) the steps taken/being taken by the Government to encourage the household saving and deposits in post office?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI ARJUN RAM MEGHWAL)

(a)& (b): Sir, interest rates on bank deposits are not uniform and vary from bank to bank. Hence, a one-on-one comparison of interest rates may not be possible.

The interest rates on term deposits are deregulated and they are determined by the banks themselves as per their Board approved policies. In contrast interest rates on Small Savings Schemes are administered interest rates linked to G-Sec rate of comparable maturity.

- (c) The percentage of savings in the savings schemes in Post Office as on 31.03.2016 is 14.84% of the deposits in the savings schemes of PSBs.
- (d) The Government has taken various steps to popularise all the existing schemes by carrying out publicity through print and electronic/Audio Visual media on an all India basis. Jan Dhan Yojana is a scheme of the Government to encourage deposits in banks and promote savings.

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