

Government of India
Ministry of Finance
Department of Economic Affairs

LOK SABHA

UNSTARRED QUESTION NO.3924

TO BE ANSWERED ON FRIDAY 04TH JANUARY, 2019

“INTEREST ON SAVING SCHEMES”

QUESTION

No.3924

SHRI VIKRAM USENDI
DR. BANSHILAL MAHATO

Will the Minister of FINANCE be pleased to state:-

- (a) whether the Government has reduced the rate of interest for various saving schemes;
- (b) if so, the details thereof during the last three years and the current year, scheme-wise along with the reasons thereof and its likely effect on the holders of the said saving scheme;
- (c) whether efforts have been made/are being made to protect the said holders from any loss;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI P. RADHAKRISHNAN)

- (a) to (e) Madam, the scheme of quarterly fixation of interest rates of small saving schemes was introduced from April 1, 2016. The interest rates of small savings schemes are revised every quarter on the basis of yield of G-Secs of comparable maturity period.

Details of change of interest rates from the year 2015-16 onward are at Annexure. Government also provides spread upto 100 bps over the G-sec yield in certain small savings schemes in the interest of the depositors.

Annexure

Rate of interest for Small Savings Schemes													
	2015-16	2016-17				2017-18				2018-19			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Savings Account	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Time Deposit 1 Yr.	8.4	7.1	7.1	7.0	7.0	6.9	6.8	6.8	6.6	6.6	6.6	6.9	7.0
Time Deposit 2 Yr.	8.4	7.2	7.2	7.1	7.1	7.0	6.9	6.9	6.7	6.7	6.7	7.0	7.0
Time Deposit 3Yr.	8.4	7.4	7.4	7.3	7.3	7.2	7.1	7.1	6.9	6.9	6.9	7.2	7.0
Time Deposit 5 Yr.	8.5	7.9	7.9	7.8	7.8	7.7	7.6	7.6	7.4	7.4	7.4	7.8	7.8
Recurring Deposit	8.4	7.4	7.4	7.3	7.3	7.2	7.1	7.1	6.9	6.9	6.9	7.3	7.3
Monthly Income Account	8.4	7.8	7.8	7.7	7.7	7.6	7.5	7.5	7.3	7.3	7.3	7.7	7.7
Senior Citizens Savings Scheme, 2004	9.3	8.6	8.6	8.5	8.5	8.4	8.3	8.3	8.3	8.3	8.3	8.7	8.7
NSC VIII Issue	8.5	8.1	8.1	8.0	8.0	7.9	7.8	7.8	7.6	7.6	7.6	8.0	8.0
Public Provident Fund	8.7	8.1	8.1	8.0	8.0	7.9	7.8	7.8	7.6	7.6	7.6	8.0	8.0
Kisan Vikas Patra, 2014	8.7	7.8	7.8	7.7	7.7	7.6	7.5	7.5	7.3	7.3	7.3	7.7	7.7
Sukanya Samridhhi Account Scheme	9.2	8.6	8.6	8.5	8.5	8.4	8.3	8.3	8.1	8.1	8.1	8.5	8.5