

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

UNSTARRED QUESTION NO:574  
ANSWERED ON:27.02.2013  
POSTAL SAVINGS SCHEMES  
M.Thambidurai Dr. ;Singh Shri Sushil Kumar

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

- (a) whether the Expert Group constituted by the Ministry of Finance, under the Chairmanship of Shyamala Gopinath has stated in its report that there is a need to raise interest rate on post office savings;
- (b) if so, the details thereof and the timeline by which the recommendations of expert group is likely to be implemented;
- (c) the steps taken by the Government to simplify the procedure for opening savings account in post office;
- (d) whether the expert group also suggested to close down Kisan Vikas Patra Scheme; and
- (e) if so, the details therefor and the reaction of the Government thereto?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (Dr. (SMT.) KILLI KRUPARANI)

(a) Yes Madam.

(b) The Expert Committee headed by Shyamala Gopinath the then Deputy Governor of RBI had recommended that Interest rates of Small Savings Schemes should be aligned with Government securities rate of similar maturity, with a spread of 25 basis point (bps) with two exceptions. The spread on 10 Years NSC (New Instrument) should be 50 bps and on Senior Citizens Savings Scheme 100 bps. The Committee also recommended that interest rates should be reviewed and notified for every financial year before 1st April of that year. The Ministry of Finance has already implemented these recommendations and notified revised interest rates for 2012-13 from 1.04.2012.

(c) The procedure for opening of savings account in post office is very simple. However, it has been further simplified by accepting Aadhar Card as identity as well as address proof and removing the mandatory condition of providing introduction at the time of opening of account.

(d) Yes Madam.

(e) The Committee recommended that in view of the recent developments on AML/CFT front, KVP may be discontinued as it is prone to misuse being a bearer-like instrument. The Ministry of Finance accepted this recommendation and discontinued Kisan Vikas Patras (KVP) w.e.f. 1st December, 2011.