

(a) whether Government is considering to deregulate interest rates on small savings schemes like Public Provident Fund (PPF) and post office deposits, linking them to prevailing interest rates in the markets;

(b) if so, whether Government is aware that in order to neutralize the burden of price rise, people keep money in PPF and post office savings;

(c) if so, what is the logic to reduce the interest rate; and

(d) the steps taken by Government to regulate prevailing low interest rates in the market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) to (c) As a follow up to one of the recommendations of the 13th Finance Commission, the Government has set up a committee headed by Deputy Governor, Reserve Bank of India for comprehensive review of National Small Savings Fund (NSSF) structure, interest rate, tenor and other administrative matters. The term of reference of the Committee include, *inter alia*, review of the existing parameters for the small saving schemes, terms of lending to States and other related issues.

The small savings schemes continue to enjoy investor confidence as the risk- return equation of these schemes is favourable with the benefits of liquidity, accessibility, tax incentives and implicit sovereign guarantee.

(d) Interest rates relating to banks, financial institutions and debt markets are deregulated. Banks have been given freedom by Reserve Bank of India to fix their own interest rates on domestic term deposits of various maturities. Interest rates on Small Savings Schemes are Administered Interest Rates, and are benchmarked to the average annual yield on Government Securities of comparable maturity in the secondary market, with a suitable spread subject to a maximum of 50 basis point over the benchmark yield, depending upon the maturity and liquidity of the instruments.

Revision of grade pay of officials of CSS

†2441. SHRI JAI PRAKASH: Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.

(a) whether Government is considering any proposal to change/revise the grade pay of Upper Division Clerks (UDCs) and Section Officers working in the Central Secretariat Services (CSS) and equivalent services; and

(b) if so, by when a decision will be taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) No, Sir.

(b) Does not arise.

Credit given to minority communities

2442. SHRI AHMAD SAEED MALIHABADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Rs. 83,000 crore has been given credit by nationalized banks for minorities;

(b) if so, the details thereof;

(c) the total amount of credit given to Muslim minority community, bank-wise and State-wise; and

(d) the ratio and amounts of loan as a long term and short term loan sanctioned for the Muslim minority community?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) to (c) As on 31st March, 2010 total Credit (outstanding) to Minority Communities by Public Sector Banks (PSBs) stood at Rs. 1.12.039 crore (source: PSBs).

Bank-wise details of Credit (outstanding) to Minority Communities (all communities) by PSBs, as on 31st March, 2010, as available, are given in the Statement – I (See below).

State-wise details of Credit (outstanding) given to Muslim Minority Communities, for half year ended September, 2009, as given by Reserve Bank of India (RBI) are given in the Statement – II (See below).

(d) RBI has reported that they have no information in this regard.