

**Increase in rate of interest of short term seasonal deposit**

2308. SHRI KALRAJ MISHRA : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rate of interest on short term seasonal deposit has been increasing year after year;

(b) if so, the rate of interest for 2003-04, 2005-06 and the current year; and

(c) the reasons for the increase, in the context of decreasing interest regime?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The rate of interest on short term deposits (seven days to one year maturity) in respect of public sector banks, private sector banks and foreign banks during 2003-04, 2004-05 & 2005-06 remained as under:

Bank	2003-04	2004-05	2005-06*
Public Sector Banks	3.75-5.25	2.75-6.00	2.25-6.25
Private Sector Banks	3.00-6.00	3.00-6.25	3.50-6.75
Foreign Banks	2.75-7.75	3.00-6.25	3.00-6.00

\*as on February, 2006

(c) The deposit rates of commercial banks, except those prescribed for saving bank accounts have been deregulated since October, 1997 and banks are presently free to determine their own deposit rates, depending on their commercial judgement.

**Pension reform for government employees**

2309. SHRI KALRAJ MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have lately been considering some proposal for Government employees' pension reforms; and

(b) if so, the details thereof and the decision taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) A new restructured defined contribution pension system for the new entrants to Central Government service, except to the Armed Forces, in the first stage, replacing the existing

system of defined benefit pension, was notified on 22nd December, 2003. The new system was implemented with effect from 1st January, 2004. The monthly contribution in the new pension system by the employee is 10% of the salary and DA. A matching contribution is given by the Central Government.

### **Increase in customs duty on steel**

2310. SHRI RAJKUMAR DHOOJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that steel industry has demanded increase in customs duty on steel;

(b) if so, the details thereof and the reasons therefor; and

(c) Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. Some representations have been received from certain steel manufacturers, requesting for increase in rate of customs duty on steel, as domestic manufacturers are disadvantaged. They have *inter-alia* referred to higher costs of some of their inputs and increase in imports of certain steel products.

(c) Taking into consideration all relevant points, Government have not agreed to the requests for increase in basic customs duty on steel.

### **Credit to agriculture sector**

2311. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has set up an Expert Group to formulate the necessary strategy for raising investment with a view to increasing credit to the agriculture sector by 30 per cent;

(b) whether the Report of the Expert Group, which was supposed to submit its report in May, 2005, has submitted its report;

(c) if so, what are the salient features of the report; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) yes, Sir. Reserve Bank of India had set up an "Expert Group on Investment Credit to Agriculture" under the