

### Small savings accounts

†1442. SHRI PRAVIN NAIK: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the number of operational small savings accounts in the Department of Post as on date and the amount deposited therein by the Common man;
- (b) the number of accounts closed by customers during the last one year;
- (c) the amount deposited with Government by common man through small savings schemes; and
- (d) the steps Government is contemplating to take, so that, the participation and trust of people in these small savings schemes may be augmented?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT): (a) The number of operational small savings accounts in the Department of Post as on 30/6/2011 are 264585266 and the amount deposited therein by the common man as on June, 2011 is 3728154388 (Rs. in thousands).

- (b) The number of accounts closed by customers during the last one year is 40950379.
- (c) The collections under all small savings schemes are credited to National Small Savings Fund (NSSF) and the opening balance as per Budget Estimates 2011-12 is Rs. 7,99,386.51 crore.
- (d) 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. The Government has taken the following steps to make the small savings schemes more attractive and investor friendly:-

- (i) The restriction on opening of more than one account during a calendar month under the Senior Citizens Savings Scheme has been removed with effect from 24th May, 2007.
- (ii) All categories of pensioners have been allowed to open and maintain 'Pension Account' under Post Office Savings Account Rules, with effect from 11th July, 2007.
- (iii) The penalty on pre-mature withdrawal of deposits under the Post Office Monthly Income Account (POMIA) scheme has been rationalised from 3.5% to 2% on withdrawal on or before expiry of three years and 1% on withdrawal after expiry of three years.

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†Original notice of the question was received in Hindi.

- (iv) The maximum deposit ceilings of Rs. 3.00 lakh and Rs. 6.00 lakh under the Post Office Monthly Income Account (POMIA) scheme has been raised to Rs. 4.5 lakh and Rs. 9.00 lakh in respect of single and joint accounts respectively.
- (v) Bonus at the rate of 5 per cent on the deposits made under Post Office Monthly Income Account (POMIA) Scheme on or after 8th December, 2007 upon the maturity of the deposit had been reintroduced.
- (vi) The benefit of Section 80C of the Income Tax Act, 1961 has been extended to the investments made under 5-Year Post Office Time Deposits Account and Senior Citizens Savings Scheme, with effect from 1.4.2007.
- (vii) A website of the National Savings Institute under Government of India, Ministry of Finance has also been launched to facilitate interface with the public through wider dissemination of information on small savings and on-line registration and settlement of investors grievances. The website address is [nsiindia.gov.in](http://nsiindia.gov.in).

#### **VRS for employees of MTNL**

1443. SHRI S. THANGAVELU: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether MTNL has asked Government to clear a Voluntary Retirement Scheme (VRS) to be offered to 15000 employees, one-third of its work force for this financial year;
- (b) whether the proposal has also been cleared by the MTNL Board;
- (c) if so, the details thereof and whether the MTNL has also asked Government for Rs. 3000 crores for this scheme; and
- (d) if so, the details thereof and stance of Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA): (a) to (d) Mahanagar Telephone Nigam Limited (MTNL) has submitted a proposal, duly approved by its Board, seeking 100% financial support from the Government for bringing out cadre-specific Voluntary Retirement Scheme (VRS) for MTNL employees. The proposed VRS package includes compensation equivalent to 60 days salary (Basic pay +DA) for each completed year of service or salary (Basic Pay +DA) for remaining period of service whichever is less subject to over all ceiling of 60 months salary. The expected out go of fund for supporting VRS of about 19000 employees will be around Rs. 3610 crores.

MTNL has been requested to explore the possibility of raising funds from banks/market and submit specific request for Government guarantee or letter of credit etc., keeping in view the Department of Public Enterprises (DPE) guidelines.