

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

\*\*\*\*\*

**Interest Rates on various Small Savings Schemes for the 1<sup>st</sup> Quarter of 2016-17 notified;. Additional Interest Rate spreads which the Government allows on Small Savings Schemes like PPF, Senior Citizen Savings Scheme, Sukanya Samridhi Scheme and NSC etc. are being continued and included in the rates notified today.**

**New Delhi, March 18, 2016**

**Phalgun 28, 1937**

From the year 2012-13, the interest rates on various Small Savings Schemes (SSS) are recalculated and notified in the month of March every year. These rates are applicable for the next financial year. This is being done in line with the recommendations of the Shyamala Gopinath Committee to ensure that the interest rates of Small Savings Schemes are market linked.

Accordingly, as done in the previous years, the interest rates for various Small Savings Schemes were due for recalculation in March 2016. As notified on 16<sup>th</sup> February, 2016, instead of annual resetting of interest rates for the next financial year, the interest rates from now on will be reset every quarter based on the G-Sec yields of the previous three months. Consequently, the interest rates for various Small Savings Schemes were recalculated with reference to the G-Sec yields of equivalent maturity for the months December 2015 to February 2016. Based on this calculation, the interest rates on various Small Savings Schemes for the 1<sup>st</sup> quarter of 2016-17 have been notified today. The rates of interest on various small savings schemes for the First Quarter of Financial Year 2016-17, on the basis of the interest compounding/payment built-in in the schemes, shall be as under:

<b>Instrument</b>	<b>Rate of interest w.e.f. 01.04.2015 to 31.3.2016</b>	<b>Rate of interest w.e.f. 01.04.2016 to 30.6.2016</b>
Savings Deposit	4.0	4.0
1 Year Time Deposit	8.4	7.1
2 Year Time Deposit	8.4	7.2
3 Year Time Deposit	8.4	7.4
5 Year Time Deposit	8.5	7.9
5 Year Recurring Deposit	8.4	7.4
5 Year Senior Citizens Savings Scheme	9.3	8.6
5 year Monthly Income Account Scheme	8.4	7.8
5 Year National Savings Certificate	8.5	8.1
Public Provident Fund Scheme	8.7	8.1
Kisan Vikas Patra	8.7	7.8 (will mature in 110 months)
Sukanya Samridhi Account Scheme	9.2	8.6

This is a formula driven process.

Further, as notified earlier, the additional interest rate spreads which the Government allows on Small Savings Schemes like PPF, Senior Citizen Savings Scheme, Sukanya Samridhi Scheme, NSC etc. are being continued. The additional spread for these Schemes are 25 basis points for PPF, 100 basis points for Senior Citizen Savings Scheme, 75 basis points for Sukanya Samridhi Scheme, 25 basis points for five year time deposit, 25 basis points for National Savings Certificate and 25 basis points for Monthly Income Scheme. These additional interest rate spreads are being continued and are included in the rates notified today.

The quarterly revision of interest rates will ensure that the interest rates under Small Savings Schemes are more dynamically related to the current market rates, thereby enabling the Banks to move their interest rates in line with current money market rates.

\*\*\*\*\*