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No.F.9(9)-SS/SRM/2014/ 7764

Dated, Agartala 04 Feb February, 2016.

To
The Director,
IT Department
Indranagar, Agartala.

Subject:- Small Savings Schemes at –a – glance.


Sir,

I am sending herewith copies of overviews on Small Savings Schemes at –a – glance prepared and circulated by the National Savings Institute (NSI), Nagpur with request to up load in the website www.dif.tripura.gov.in for information of Govt. Officials / Investors.

This is for information and necessary action please.

Enclo :- As stated above.

Yours faithfully,


3/2/2016
(Sahadeb Das, IAS)
Director
Institutional Finance

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AN OVERVIEW
OF
NATIONAL SAVINGS SCHEMES

Deepak Verma
Joint Director
National Savings Institute
Ministry of Finance

NATIONAL SAVINGS INSTITUTE – AN OVERVIEW

- Collection and maintenance of data pertaining to National Savings Schemes.
- Conducts market research.
- Provides policy inputs to Government of India for launching new products and updating current products.
- Mobilisation of savings through different channels.
- Provides training to distribution partners and agency force.
- Conducts inspection under PML Act-2002 on behalf of Ministry of Finance, Government of India.

U.S.P. OF NATIONAL SAVINGS SCHEMES

- Security:- National Savings products enjoy sovereign guarantee.
- Convenience:- Schemes are available through 1,56,000 Post Office and more than 15000 branches of State Bank of India and its associate banks, other Nationalised Banks and selected branches of Private Commercial Banks.
- Liquidity:- Schemes have inbuilt liquidity provisions of withdrawal, loan and premature closure.
- Agency Services:- Deposit in schemes can be made through agents who provides door step services.
- Use of accumulated savings:- Net collection mobilised through National Savings Schemes is invested in State Government's securities for financing developmental plans of the state.

NATIONAL SAVINGS SCHEMES

TITLE	NAME OF SCHEMES
Schemes for financial inclusion	Post Office Savings Account
Scheme for regular savers	Post Office Recurring Deposit Account
Scheme for multiplying savings and for all age groups	Post Office Time Deposit Account & Kisan Vikas Patra
Schemes for regular income and old age security.	Post office Monthly Income Account, Senior Citizens Savings Schemes.
Schemes for tax savings.	Public Provident Fund Account, National Savings Certificate-VIII issue & IX issue, Post office Five Year Time Deposit Account, Sukanya Samridhi Account

POST OFFICE SAVINGS ACCOUNT

- Savings account for petty savings and receiving transactions
- A person may open the account in his own name individually or jointly with an adult.
- A person may open an account on behalf of a minor of whom he is the guardian or a person of an unsound mind.
- A minor who has attained the age of 10 years may open the account independently.

POST OFFICE SAVINGS ACCOUNT...

- Zero balance account for beneficiaries of MNREGA and other Government Schemes.
- Individual account is eligible for 4% interest per annum.
- Interest in the account up to ₹10,000 qualify for deduction from income in a financial year under section 80-TTA of Income Tax Act.

MONTHLY INCOME SCHEME

- Post Office Monthly Income Scheme is an ideal scheme for retiring persons and also those who want steady flow of income.
- The account matures in period of 5 years from the date of deposit.
- Deposits can be made in the account in the multiples of ₹1,500/- subject to the maximum limit of ₹4.5 lakh in single account and ₹9 lakh in joint account.
- A depositor may operate more than one account under this scheme subject to the ceiling of maximum amount, which may be invested in single, or joint account.

MONTHLY INCOME SCHEME...

- A guardian may also open an account on behalf of a minor or a person of unsound mind.
- Interest @ 8.4% per annum payable monthly, commencing from the date of deposit.
- Account can be closed prematurely after one year but before the expiry of three years on deduction of 2% of the deposit. In case the account is closed after expiry of three years, 1% of the deposit shall be deducted.

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POST OFFICE TIME DEPOSIT

- Time Deposit Accounts are short as well as long-term deposits with rate of interest compounded quarterly but paid annually as given below:

Period	Interest per annum
1-year	8.4%
2-year	8.4%
3-year	8.4%
5-Year	8.5%

POST OFFICE TIME DEPOSIT...

- An adult may open one or more accounts individually or jointly with another adult.
- A guardian may open an account on behalf of a minor or a person of unsound mind.
- An Account can be opened in multiples of ₹200/- without any maximum limit.
- An account can be closed prematurely any time.
- Where deposit in the account is withdrawn prematurely before one year, simple interest at POSB rate shall be payable.

POST OFFICE RECURRING DEPOSIT ACCOUNT

- Post Office Recurring Deposit Scheme helps the small investors to form the capital to meet the future needs.
- An account can be opened by an adult in his own name or by two adults jointly.
- Guardian may open an account on behalf of a minor or a person of unsound mind.
- An account with minimum ₹10/- and any amounts in multiples of ₹5/- can be opened. There is no maximum limit.

POST OFFICE RECURRING DEPOSIT ACCOUNT...

- The maturity value of ₹10/- denomination account is ₹746.51.
- Advance Deposits can be made at the option of the depositor for 6 months or 12 months and earn rebate.
- Only one withdrawal to the extent 50% of the amount of existing balance is permissible after one year of the opening of account.

POST OFFICE RECURRING DEPOSIT ACCOUNT...

- Full maturity Value is allowed on RD accounts in case of death of depositor.
- This benefit is restricted to that of ₹50/- denomination, subject to fulfillment of certain conditions.
- An account can be continued with deposits or without deposits after maturity for another five years.
- Account can be closed prematurely after 3 years with simple interest at the rate of POSB account.

NATIONAL SAVINGS CERTIFICATES VIII-ISSUE

- National Savings Certificate VIII Issue is an excellent scheme wherein not only initial deposit but also the accrued interest for first 4 years enjoys the benefit of section 80-C of I.T. Act.
- Available in the denominations of ₹100/-, ₹500/-, ₹1000/-, ₹5000/- and ₹10000/-.
- A single holder type certificate can be purchased by an adult for himself or on behalf of a minor.

NATIONAL SAVINGS CERTIFICATES VIII-ISSUE...

- Joint 'A' Type certificate may be issued to two adults payable to both the holders jointly or to the survivor.
- Joint 'B' Type certificate may be issued to two adults payable to either of the survivor.
- No ceiling on Investment.
- Interest @ 8.5% compounded half yearly and paid at maturity.
- ₹100/- grows to ₹151.62 on maturity.

NATIONAL SAVINGS CERTIFICATES VIII-ISSUE...

- The deposits as well as interest accruing annually but deemed to have been reinvested qualify for deduction u/s 80-C of I.T. Act.
- Loan facility Loan facility available by pledging the certificates with the banks.
- Interest accrual on investment of ₹100/- and in proportion for other denominations, on yearly basis for income tax purpose is as under:

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MANAGEMENT OF SMALL SAVINGS.

Presentation By
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Jt. Director & Head of Deptt.
National Savings Institute
Nagpur.

LEGAL FRAMEWORK

- The Government Savings Bank Act, 1873.
POTD, POSA, PORD, POMIS, SCSS, SSA.
- The Savings Certificate Act, 1959.
KVP, NSC.
- The Public Provident Fund Act, 1968.
PPF

BENEFITS OF SMALL SAVINGS SCHEMES

- Risk Free Investment.
- Easy Access.
- Liquidity.
- Tax Benefits.

ESTABLISHMENT OF NSSF

- Prior to 1.4.1999 the deposits and withdrawals of the principal amounts in the small savings schemes were accounted from the Public Account of India.
- The transactions of receipts by collections and withdrawals and lending had an impact on Consolidated Fund Of India and on fiscal discipline.
- Lacked transparency in reporting.

ESTABLISHMENT OF NSSF

- o A committee under the Chairmanship of Shri R. V. Gupta, former Dy. Governor RBI recommended establishment of --

" National Small Savings Fund"

In the Public Account Of India.

ESTABLISHMENT OF NSSF

- o It came into existence w.e.f. 1.4.1999.
- o The fund is administered by the Govt. Of India, Ministry of Finance (DEA) under National Small Savings Fund(custody and investment) rules 2001 framed by the President under Article 283(1) of the Constitution of India.

OBJECTIVES OF NSSF

- o To book all transactions relating to small savings under one umbrella.
- o Lending transparency in the accounting system.
- o To enable easy examination of income and expenditure of Small Savings.
- o To bring into sharp focus the asset liability mismatch and to pave way for corrections.
- o To facilitate better informed decisions regarding amending the terms of Government securities or reducing the interest rate on Small Savings Schemes or the cost of management.

NSSF INITIAL ASSETS AND LIABILITIES

- o Past loans to State Governments and outstanding balances(Rs. 176220.92 Cr.) standing at the credit of the account holders at the close of the year 1998-99 treated as investment in Central Government securities.
- o Repayment of loan granted to State Governments and U.T.,s and payment of interest thereon shall continue to be made to the Central Government.

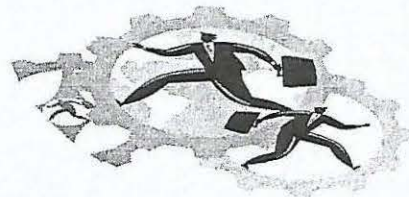
INVESTMENT FROM THE FUND

- o In special Central Govt. Securities.
- o Investment in special State Govt. Securities.
- o Re-investment of sums received on redemption of special Central/State Government Securities.
- o Total investment in the year (2013-14)
Rs.24731Cr.
- o Total outstanding investment(2013-14)
Rs.756543.30Cr.



INCOME OF THE FUND

- o Interest Income on investment-Rs.67512.25Cr..



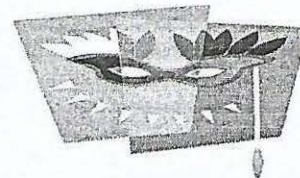
EXPENDITURE OF THE FUND.

- o Interest payments on deposits-Rs.79700 Cr.
- o Management cost –Payment of agency charges to Dept. Of Posts, Banks, payment of commission to Agents and cost of printing-Rs. 6221.81 Cr.



INCOME AND EXPENDITURE OF THE FUND

- o Total income and expenditure of the fund (2013-14)- Rs.85931.81 Cr.
- o Net income of the fund in the year (2013-14)-
Rs.18419.56



INITIATIVES TAKEN DURING 2014-15

- o Deposit ceiling in PPF account has been raised from Rs. 1 lakh to 1.5 lakh in a year w.e.f. 13.08.2014.
- o Group Insurance component in the event of accidental death of a certificate holder will also be provided on one of the certificate schemes under Small Savings to motivate small savers to invest in the schemes.

INITIATIVES TAKEN DURING 2014-15

- o Kisan Vikas patra was launched on 18th November by Hon'ble Finance Minister in a function held in New Delhi and sale of certificates has started from Post Offices all over the country.
- o Kisan Vikas Patra, a popular savings instrument which was discontinued in December 2011 has been re-introduced.



INITIATIVES TAKEN DURING 2014-15

- o Sukanya Samriddhi Account, a savings scheme exclusively for addressing concerns of higher education and marriage expenses of girl child and her welfare has been launched on 22nd January 2015 by Hon'ble Prime Minister along with 'Beti Bachao Beti Padhao' abhiyaan.



Thank you



National Savings Institute, Nagpur

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NATIONAL SAVINGS CERTIFICATES VIII-ISSUE...

- Interest accrual on investment of ₹100/- and in proportion for other denominations, on yearly basis for income tax purpose is as under:

Period	Annual Accrual
1 st Year	₹08.68
2 nd Year	₹09.43
3 rd Year	₹10.25
4 th Year	₹11.14
5 th Year	₹12.11

NATIONAL SAVINGS CERTIFICATES IX - ISSUE

- National Savings Certificates IX Issue is an excellent scheme wherein not only initial deposit but also the accrued interest for first 9 years enjoys the benefit of section 80-C of I.T. Act.
- Available in the denominations of ₹100/-, ₹500/-, ₹1000/-, ₹5000/- and ₹10000/-.
- A single holder type certificate can be purchased by an adult for himself or on behalf of a minor.

NATIONAL SAVINGS CERTIFICATES IX - ISSUE...

- Joint 'A' Type certificate may be issued to two adults payable to both the holders jointly or to the survivor.
- Joint 'B' Type certificate may be issued to two adults payable to either of the survivor.
- No ceiling on Investment.
- Interest @ 8.8% compounded half yearly and paid at maturity.
- ₹100/- grows to ₹236.60 on maturity.

NATIONAL SAVINGS CERTIFICATES IX - ISSUE...

- Loan facility available by pledging the certificates with the banks.
- The deposits as well as interest accruing annually but deemed to have been reinvested qualify for deduction u/s 80-C of I.T. Act.
- Interest accrual on investment of ₹100/- and in proportion for other denominations, on yearly basis for income tax purpose is as under:

NATIONAL SAVINGS CERTIFICATES

IX - ISSUE...

- Interest accrual on investment of ₹100/- and in proportion for other denominations, on yearly basis for income tax purpose is as under:

Period	Annual accrual
1 st year	₹08.99
2 nd year	₹09.80
3 rd year	₹10.68
4 th year	₹11.64
5 th year	₹12.69
6 th year	₹13.83
7 th year	₹15.08
8 th year	₹16.43
9 th year	₹17.91
10 th year	₹19.52

KISAN VIKAS PATRA

- Issued by the Govt. of India, Ministry of Finance (DEA), vide Notification No. GSR 370 (E), dated 23.3.1988 and amended from time to time.
- Came into force on the 1st day of April, 1988.
- The provisions of POSC Rules 1960 so far as, may apply in relation to matter for which no provisions have been made in these rules.

KISAN VIKAS PATRA...

- Kisan Vikas Patra was discontinued w.e.f. 30th November, 2011 vide No. F.1/10/2011-NS-II dated 28.11.2011.
- Again Kisan Vikas Patra was re-introduced vide GSR 705 (E) dated 23rd November, 2014.
- Available in Post Offices, State bank of India and its associate banks and designated branches of other nationalized and commercial banks.

KISAN VIKAS PATRA

- A single certificate may be issued to an adult to himself or on behalf of a minor.
- Can be issued to two adults jointly.
- Certificates are available in the denomination of ₹1000, 5000, 10,000 and ₹50,000.
- Money invested in KVP doubles in 100 months.

KISAN VIKAS PATRA...

- No limit on investment.
- Facility of nomination and services of authorized agents available.
- KVP is transferable from Post office or Bank at which it stands registered, to any other PO or Bank to the holders making an application in form-B either at post office or bank.
- Facility of premature encashment after 2 and half years.

KISAN VIKAS PATRA...

Periods of premature closure

Period	Amount Payable
2 and half years but less than 3 years.	1201
3 years but less than 3 and half years	1246
3 and half years but less than 4 years	1293
4 years but less than 4 and half years	1341
4 and half years but less than 5 years	1391
5 years but less than 5 and half years	1443
5 and half years but less than 6 years	1497
6 years but less than 6 and half years	1553
6 and half years but less than 7 years	1611
7 years but less than 7 and half years	1671
7 and half years but less than 8 years	1733
8 years but before the maturity of the certificate	1798
On maturity of the certificate	2000

SUKANYA SAMRIDDHI ACCOUNT

- A unique savings scheme for the welfare of girl child
- Account can be opened in the name of a girl child till she attains the age of 10 years.
- Only one account can be opened for a girl child.
- Account can be opened with a minimum of ₹1000/- and thereafter any amount in multiple of ₹100/- can be deposited subject to the maximum limit as prescribed for the financial year.

SUKANYA SAMRIDDHI ACCOUNT...

- A minimum of ₹1000/- must be deposited but subject to a maximum of ₹ 1,50,000/- in a financial year.
- Interest @ 9.2% for financial year 2015-16.
- Interest will be notified by Government from time to time and calculated on yearly compounding basis.
- The account can be opened in Post offices or authorised branches of State Bank of India and other commercial banks.
- This scheme shall be applicable for two girl children only.

SUKANYA SAMRIDDHI ACCOUNT...

- This scheme shall be applicable for two girl children only.
- Deposits shall be made in the account till completion of 14 years from the date of opening of account.
- Tax concession under Section 80 C of Income Tax Act and 10(15) of I.T. Act is proposed to be given on the deposits and interest.
- The Girl child may operate the account herself after attaining the age of ten years.

SUKANYA SAMRIDDHI ACCOUNT...

- One withdrawal shall be allowed on attaining the age of 18 years.
- The amount of withdrawal shall be equal to 50% of the balance including interest at the credit of preceding financial year.
- The account can be transferred anywhere in India from one Post office/Bank to another.
- The account can be transferred anywhere in India from one Post office/Bank to another.
- The account shall mature on completion of 21 years from the date of opening of the account
- Or shall be closed after marriage of the girl child.

SENIOR CITIZEN SAVINGS SCHEME

- An ideal scheme for Senior Citizens who have retired either from service or profession to provide security in old age.
- An individual who has attained the age of 60 years or above on the date of opening of an account.
- Or an individual who has attained the age of 55 years or more but less than 60 years and has retired under Superannuation, VRS or Special VRS.
- A government servant who has retired on account of his superannuation.

SENIOR CITIZEN SAVINGS SCHEME...

- A retired Personnel of Defense Services (Excluding Civilian Defense Employees) can subscribe to the scheme irrespective of age limit subject to fulfillment of other specified conditions.
- A depositor may open an account individually or jointly with spouse.
- The deposit in the account shall be in the multiples of ₹1000/- and not exceeding ₹15 lakh.
- Interest @ 9.3% per annum shall be payable from the date of deposit to 1st April/1st July/1st October/1st January as the case may be and thereafter at the end of the quarter.

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SENIOR CITIZEN SAVINGS SCHEME...

- The account can be closed after expiry of 5 years from the date of opening of account.
- The depositor may extend the account for further period of 3 years.
- Premature closure is permissible after expiry of one year from the date of opening of account subject to certain conditions.
- A depositor may be permitted to close his account any time after expiry of one year subject to the conditions:-

SENIOR CITIZEN SAVINGS SCHEME...

- (a) In case, the account is closed on expiry of one year but before expiry of two years, an amount equal to 1.5% of the deposit shall be deducted from the balance of the depositor.
- (b) In case, the account is closed after the expiry of two years, an amount equal to 1% of the deposit shall be deducted from the balance.
- (c) No deductions shall be made in case the account is closed after one year in an extended account.
- Deposits in SCSS qualify for deduction u/s 80-C of Income Tax Act.

PUBLIC PROVIDENT FUND

- A Milestone ahead over other schemes in the Market.
- PPF is not only a tax savings scheme but a sound investment.
- A subscriber can deposit any amount between ₹500/- (minimum) and ₹1,50,000/- (maximum) in a financial year.
- Interest @ 8.7% per annum (F.Y. 2014-15)
- Loan facility is available from 3rd financial year up to 6th financial year.

PUBLIC PROVIDENT FUND...

- Withdrawal is permissible every year from 7th financial year.
- Account matures on completion of fifteen complete financial years from the end of the year in which the account was opened.
- The account can be extended with further deposits for any number of 5-year block periods after maturity

PUBLIC PROVIDENT FUND...

- INTEREST @ 8.7% COMPOUNDED ANNUALLY
- LOAN FACILITY
- WITHDRAWALS
- NOMINATION
- TRANSFER OF PPF ACCOUNT
- CLOSURE
- PREMATURE CLOSURE
- EXTENSION OF ACCOUNT
- CONTINUATION OF ACCOUNT
- WONDERS OF PPF SCHEME
- PPF PENSION PLAN

PPF PENSION PLAN

Annual deposit (₹)	Maturity period (₹)	Maturity value (₹)	Annual Interest (₹)	Monthly Pension (₹)
10,000	16 years	3,49,721	27,991	2,333
20,000	16 years	6,99,442	55,982	4,665
30,000	16 years	10,49,162	83,973	6,998
40,000	16 years	13,98,883	1,11,964	9,330
50,000	16 years	17,48,605	1,39,955	11,663
70,000	16 years	24,48,047	1,95,937	16,328
80,000	16 years	27,97,768	2,23,928	18,661
1,00,000	16 Years	34,97,210	2,79,910	23,326
1,50,000	16 Years	52,45,815	4,19,865	34,989

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The Public Provident Fund Scheme, 1968

By

Padam Singh
Regional Director
0

National Savings Institute, Govt. of India, Chandigarh

The PPF Scheme Who Can Open An Account

- An individual in his own name;
- An individual on behalf of each minor child.
(Only father or mother can open an account on behalf of a minor. If neither parent is alive, or is incapable of acting, a person entitled under law to have care of the property of minor can open an account)
- NRIs have been barred from opening a PPF account w.e.f. 25.7.2003;
- HUFs have been barred from opening an account w.e.f. 13.5.2005;
- Individuals with dual citizenship can open a PPF account if one of the citizenships is that of India, and he is not an NRI. He is also eligible to extend the account so long as he holds the citizenship of India and is not an NRI. However, the benefits accruing to the investor will be available only on Non-repatriation basis.

The PPF Scheme Who Can Open An Account (Contd.)

- A PPF account can not be opened in joint names;
- A PPF account can not be opened or operated through a power of Attorney;
- There is no maximum limit of age for opening a PPF account.

The PPF Scheme Limits on No. of Accounts

- An individual can open only one account in his own name;
- In addition to his own account, an individual can open one PPF account each on behalf of his minor child of whom he is a guardian;
- Only one account can be opened in the name of a minor either by father or mother.
- If a minor subscriber attains majority before the maturity of his account, he will himself operate the account thereafter. He will submit a revised application form, and his signatures will be attested by the guardian who had initially opened the account in his (ex-minor's) name, or a by a respectable person known to the Accounts Office.

The PPF Scheme Limits on Subscription

- A subscriber can deposit an amount of not less than Rs. 500/- and not more than Rs. 1.50 lakh in a year;
- The upper ceiling of Rs. 1.50 lakh is both for the individual self account and account(s) opened on behalf of minor/minors, taken together;
- Deposits can be made in one lump sum or in installments not exceeding 12 in a year. Amount of installments need not be equal;
- It is not necessary to deposit subscription every month. More than one installment of subscription can be made in a calendar month.

The PPF Scheme Limits on Subscription (Contd.)

- The account can be opened with an initial minimum deposit of Rs. 100/- or more in multiples of Rs. 5/-;
- If a subscriber, having opened the account, fails to deposit the minimum prescribed amount in the first year, the account shall be treated as not having been opened validly. Such an account shall be closed and subscription refunded without any interest;
- If an account holder, having subscribed the minimum amount in the first year, fails to subscribe the minimum amount in subsequent year/years, such an account shall be treated as "Discontinued";

The PPF Scheme "Discontinued" Account

- A subscriber can not avail the facility of "Loans" and "Partial withdrawals" if the account has become "discontinued";
- A subscriber having a "discontinued" PPF account can not open another PPF account;
- A "discontinued" account can be revived by depositing the arrear subscriptions of Rs. 500/- along with a fee of Rs. 50/- for each year of default;
- A "discontinued" account can be revived any time during its maturity period only;
- A "discontinued" account can be closed only on maturity, i.e., on the expiry of 15 years, but continues to earn interest at normal rates;
- In case the arrears of defaulted subscription in respect of previous years are deposited, the total subscription including the arrears should not exceed the maximum deposit ceiling of Rs. 1.00 lakh in a year.

The PPF Scheme Interest

- The rate of interest applicable from the 1st of April is notified every year by the Central Government;
- The interest is allowed for every calendar month on the lowest balance at the credit of an account between the close of the 5th day and the end of the month, and the same is credited to the account at the end of each year.
- The subscriptions in the account start earning interest from the date of their deposits, even before they reach the level of minimum prescribed level (Rs. 500/-) in a year.
- If the interest to be credited contains a fraction of a rupee, the same should be rounded off to the nearest whole rupee.
- The rate of interest for the year 2015-16 is 8.7%.

The PPF Scheme No Interest Account

- Maintaining a PPF account without availing interest on the deposits is permissible.
- If a subscriber desires not to take interest on accumulations in his PPF account, the Accounts office should obtain a written request in this regard from him and make a note to that effect on the relevant ledger page.
- It should also be ensured that the subscriber makes a mention of this in the account opening form.

The PPF Scheme Loans.

- Becomes available from the 3rd financial year till the expiry of 5 years from the end of the year in which the account is opened.
- Only one loan can be obtained in a year, after the earlier one has been repaid in full along with interest.
- The amount of loan is restricted to 25% of the balance at the credit of the account at the end of the 2nd year immediately preceding the year in which the loan is applied for.
- The principal amount of loan shall be repaid in lump sum or in monthly installment within 36 months from the 1st day of the month following the month in which the loan is drawn..

The PPF Scheme Loans (Contd.)

- Interest @ 2% per annum of the principal amount from the first day of the month following the month in which the loan is availed upto the last day of the month in which the last installment is paid is chargeable. However, rate of interest on loans drawn before 30.11.2011 shall be 1% per annum.
- The amount of interest is to be repaid in not more than two monthly installments, after the principal of the loan is fully paid.
- If the principal of the loan is not fully repaid within the prescribed period of 36 months, interest on the outstanding amount of loan shall be charged at the rate of 6% instead of 2% from the first day of the month following the month in which the loan is drawn upto the last day of the month in which the loan is fully paid.

The PPF Scheme Loans (Contd.)

- The penal interest on the outstanding loan as well as the amount of outstanding interest on the loan, the principal amount of which has already been paid, shall be debited to the account at the end of the financial year.
- The interest recoverable shall accrue to the Central Govt.

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The PPF Scheme Partial Withdrawals

- The subscriber becomes entitled to make partial withdrawals every year from the seventh financial year.
- Not more than one withdrawal shall be permissible in any one year.
- The amount of withdrawal shall be restricted to fifty per cent of the balance at the credit of the account at the end of the 4th year immediately preceding the year of withdrawal, or at the end of the preceding year, whichever is lower, less the amount of outstanding loan, if any.

The PPF Scheme Maturity

A PPF account matures on the expiry of 15 years from the end of the year in which the account is opened. The subscriber has following three options on maturity:

1. Entire balance at the credit of the account withdrawn and the account closed.
2. The account can be retained for any period without any further deposits. One withdrawal of any amount within the balance can be made in a financial year. The balance in the account continues to earn interest at the normal rate till it is finally closed. However, the subscriber opting for retaining the account can not open another PPF account.

The PPF Scheme Maturity (Contd.)

3. The account can be extended for further blocks of 5 year each. The depositor shall have to make deposits as per the normal limits and can avail income tax exemptions on the subscribed amount. He can make one withdrawal each year subject to the condition that total withdrawal during the 5-year period does not exceed 60 per cent of the balance at the start of the said block.

If the subscriber wishes to extend the account for the aforesaid block period, he will have to give option in Form H for the purpose before the expiry of the first year of every extended block period

The PPF Scheme Maturity (Contd.)

Option once exercised for extending the account for a further block can not be withdrawn at a later stage.

If a subscriber continues to make deposits after the maturity without submitting form H, such deposits shall be treated as irregular and shall not earn interest, nor shall these be eligible for benefits under Section 80C of the I.T. Act.

4. A subscriber can also retain his account after the expiry of any extended block period without making fresh deposits and make withdrawals not exceeding one every year of any amount within the balance. The balance at the credit of the account shall continue to earn interest at the normal rate.

A PPF account opened on behalf of a minor can also be extended.

The PPF Scheme Premature Closure of Account

- Pre-mature closure of an account, in relaxation of rules, is not permitted in any case before the expiry of five years from the end of the year in which the account is opened.
- Premature closure of account is permitted only in case of extreme compassionate grounds like medical support in life threatening diseases/cases.
- Such requests for pre-mature closure of accounts may be forwarded to the Ministry of Finance, Deptt. of Economic affairs for approval along with the following information;

The PPF Scheme Premature Closure of Account

1. Name and address of the account holder;
 2. Account number and the date on which opened;
 3. Loans availed of from the account with dates and position regarding repayment;
 4. Reasons given for the request and evidence in support thereof.
 5. Designation and address of the Income Tax authority under whose jurisdiction, the subscriber falls;
 6. Any other information relevant to the request.
- No case for pre-mature closure of accounts should be forwarded on other grounds like migration abroad, marriage, purchase of house/vehicle, ceremonial occasions, repayment of loans, education related expenditure, retirement/suspension from job

The PPF Scheme Nomination

- A subscriber can nominate one or more persons to receive the amount standing to his credit in the event of his death. The share to be paid to each nominee is to be mentioned in Form E.
- There shall be no nomination in respect of an account opened on behalf of a minor.
- A nomination, once made, can be cancelled or varied any time by making a fresh request in Form F.
- If the nominee is a minor, the subscriber may appoint any person to receive the amount due under the account in the event of the death of the subscriber during the minority of the nominee.
- A subscriber can not nominate a trust.

The PPF Scheme Repayment After The Death of The Subscriber.

- A nominee/legal heirs can not continue the account after the death of the subscriber.
- In the event of the death of the subscriber, the amount standing to his credit shall be repaid to the nominee even before the maturity of the account.
- The nominee should apply to the Accounts Office with the following documents.
 - Application form for withdrawal in Form G;
 - A certificate in regard to the death of the subscriber;
 - A certificate in regard to the death of other nominee/nominees, wherever applicable.
 - Pass book of the subscriber.

The PPF Scheme Repayment After The Death of The Subscriber (Contd.)

- If there is no nomination, the amount standing at the credit of the account shall be payable to legal heirs on production of following documents;
 - Application for withdrawal in Form G;
 - A certificate in regard to the death of the subscriber;
 - Succession Certificate/Letter of Administration/ An attested copy of the probated will of the deceased subscriber;
 - Pass book of the subscriber.

The PPF Scheme Repayment After The Death of The Subscriber (Contd.)

- If there is no nomination or legal evidence (like succession certificate/ probated Will/ letter of Administration) and the amount involved is upto Rs. 1.00 lakh, the legal heirs must apply with following documents;
 - Application form for withdrawal in Form G;
 - A certificate in regard to the death of subscriber;
 - Letter of Indemnity in Form in Annexure I to Form G on stamped paper;
 - An affidavit in Form in Annexure II to Form G on stamped paper;
 - Letter of disclaimer on Affidavit in Form in Annexure III to form G on stamped paper;
 - Pass book of the subscriber.

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SUKANYA SAMRIDDHI ACCOUNT
Operation of Account

- An account shall be opened and operated by the natural/legal guardian of the girl child till she attains the age of 10 years.
- On attaining the age of 10 years, the girl child may operate the account herself, however, deposits in the account may be made by the guardian or any other person or authority.
- A withdrawal is allowed after the account holder attains the age of 18 years for meeting financial requirements related to her higher education.
- The amount of the withdrawal shall be limited to 50% of the balance at the credit of the account at the end of preceding financial year.

SUKANYA SAMRIDDHI ACCOUNT
Transfer and Premature Closure

- The account shall be closed immediately in the event of the death of the account holder, i.e., the girl child and the balance at the credit of the account shall be paid to the guardian with interest.
- Premature closure, except as per above, is not allowed in normal circumstances. It may be allowed in cases of extreme compassionate grounds such as medical support in life threatening diseases only.
- The account may be transferred any where in India with the shifting of the account holder.

SUKANYA SAMRIDDHI ACCOUNT
Interest

- Interest at the rate, to be notified by the government, shall be credited to the account at the end of each financial year.
- The interest shall be credited till the account completes 14 years.
- There is provision for payment of monthly interest, but the details of the same are yet to be notified.

SUKANYA SAMRIDDHI ACCOUNT
Maturity

- The account shall mature on completion of 21 years from the date of opening.
- If the marriage of the account holder takes place before the completion of above period of 21 years, but after she has attained the age of 18 years, the operation of the account shall not be permitted.
- In case the account is not closed even in the above two eventualities, it shall continue to earn interest till its closure.
- On closure, the balance at the credit of the account, alongwith interest shall be payable to the account holder only.

SUKANYA SAMRIDDHI ACCOUNT

By

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SUKANYA SAMRIDDHI ACCOUNT Objectives

SSA is a component of "Beti bachao, Beti padhao" Programme and, hence, not conceived to be an investment option but a savings scheme to secure the future of the girl child. It has the following underlying objectives:

- To address gender imbalance;
- To create positive environment for girl child;
- To change social perception that the girl child is not a financial burden, if the parents secure the future of the girl child with financial planning.
- To promote financial independence of the female gender (as the maturity amount of the SSA is paid to the girl child only)

SUKANYA SAMRIDDHI ACCOUNT Special Features

SSA has the following special features:

- Highest rate of interest with a spread of 75 bps;
- Tax efficiency of highest degree (EEE);
- Flexible, with variable subscription between Rs. 1000/- and Rs. 1.50 lakh in a year.
- Post maturity interest: interest paid even beyond maturity date.
- No limit on no. of deposits.

SUKANYA SAMRIDDHI ACCOUNT Opening of Account

- May be opened in the name of a girl child by natural/legal guardians.
- Only one account can be opened in the name of a girl child.
- Natural/legal guardians can open account for two girl children only.
- Account may be opened from the day of birth of the girl child till she attains the age of 10 years.
- One year grace has been allowed in case of girl children who attained the age of 10 years one year prior to the notification of this scheme.

SUKANYA SAMRIDDHI ACCOUNT Deposits

- Account may be opened with a minimum deposit of Rs 1000/-.
- Subsequent deposits may be made in multiples of Rs. 100/-
- Any amount between Rs. 1000/- and Rs. 1.50 lac may be deposited in a year.
- There is no maximum limit on the number of deposits.
- Deposits may be made till the completion of 14 years from the date of opening of the account.

SUKANYA SAMRIDDHI ACCOUNT Irregular Account.

- An account in which the minimum prescribed amount of Rs. 1000/- has not been deposited in a year, shall be treated as an irregular account.
- An irregular account may be regularised by paying the minimum deposit of Rs. 1000/- for the defaulted years alongwith a penalty of Rs. 50/- per year.
- The account may be regularised any time till the account completes 14 years.

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AML / CFT

CUSTOMER IDENTIFICATION
Identification Proof

Any of the following documents to be obtained:

1. Electoral Photo Identity Card.
2. Ration card with Photograph.
3. Passport
4. Driving Licence.
5. POSB identity card/ Post Office identity card/I.card from State/Central govt./PSU/PPO/BPL Card/Job card under MGNREGA.
6. Photo ID card issued by a recognised university/ college/school/education board.
7. A letter issued by UIDAI containing name/address/ Aadhar No.

CUSTOMER IDENTIFICATION
Other Requirements

- 1/2 recent passport size photographs.
- In case of joint holders, photographs and documents of the holders to be submitted.
- Documents should be self attested.
- In case of illiterate depositors, documents should be attested by a Gazetted officer/Sarpanch/Branch/sub/Head/Chief Postmaster/Gram Dak Sewak Delivery Agent.
- If the investment is through an authorised agent, the above documents should be attested by the concerned agent also.

CUSTOMER IDENTIFICATION
Address Proof

Any of the following documents:

1. Bank or post office passbook/statement with current address.
2. Pass Port with current address.
3. Ration Card with current address.
4. Electricity bill not more than 3 months old.
5. Telephone bill of no more then 3 months old.
6. Salary slip with current address.
7. Certificate from any public authority/postman or Gram Dak Sewak Delivery Agent or Branch Postmaster.
8. A letter issued by UIDAI containing name/address/ Aadhar No.

CUSTOMER IDENTIFICATION
Additional Requirements.

- For Medium Risk category.
 - PAN Card.
- For High Risk Category.
 - Copy of documents showing source of receipt of funds tendered for investment.

AML/CFT -- KYC NORMS

By
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AML/CFT -- KYC NORMS
Customer Acceptance Policy

- Customer acceptance policy provides that:
 1. No benami account is to be opened;
 2. No new account to be opened or existing account closed without applying CDD.

KYC NORMS IN SMALL SAVINGS SCHEMES
KYC Policy

KYC policy has the following components:

- Customer Acceptance Policy;
- Risk management;
- Customer Identification Procedure;
- Monitoring of Transactions;
- Reporting and Record keeping.

AML/CFT -- KYC NORMS
Risk Management

It involves categorizing customers as below:

1. Low Risk : Upto Rs. 50,000/-
2. Medium risk : Rs. 50,000/- - Rs.10,000
3. High Risk : Above Rs. 10 lakh.

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Monitoring and Reporting of Transactions

Following types of transactions are to be reported:

1. Cash transactions: 3rd, 5th and 8th working day of the subsequent month.
2. Suspicious Transactions: same day of receipt.

AML/CFT NORMS CCD in Existing Accounts

- Fresh KYCDS to be obtained in the following cases;
 - In the existing accounts; (4th transaction not to be allowed.)
 - In case of existing certificates.
 - On transfer of accounts;
 - On revival of account;
 - On mismatch of signatures.
 - In case of doubt of money laundering, terror financing.
 - When there is doubt about the veracity of previously obtained KYCDS
 - Doubt over the identity of the investor.