

# SANCHAYA

QUARTERLY SAVINGS E-NEWSLETTER

*April - June 2018*



**NATIONAL SAVINGS INSTITUTE**

GOVERNMENT OF INDIA, MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

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## **NEW JOINT SECRETARY (BUDGET) JOINS OFFICE**

**Shri. Arvind Shrivastava, IAS, (1994, Karnataka) took over the charge as Joint Secretary (Budget) in Ministry of Finance, Department of Economic Affairs on 9<sup>th</sup> May 2018.**



**Shri. Arvind Shrivastava, IAS**

A recipient of Chevening Fellowship Award in 2015 for attaining Chevening/Gurukul Fellowship for Leadership and Excellence at King’s College, London. He was awarded with Emerging Leaders Fellowship from Australia India Institute, Melbourne University in 2013. Shri. Shrivastava has worked in various capacities including Budget and Finance and Joint Secretary in Government of Karnataka. He also has experience of working at Asian Development Bank as a Development Officer. He has published a book titled “Political Economy of Local Regulation, Water Supply in the State of Karnataka, India”.

### **STATE LEVEL COORDINATION COMMITTEE MEETINGS**

State Level Coordination Committees on Small Savings have been set up by the Ministry of Finance under the Chairmanship of Regional Director, NSI of the area; representatives from concerned circle office of Department of Posts, State Government, Banks and Authorised Agents Associations have been nominated as members of the Committee.

The committee meets once in a quarter to address and settle the complaints/ grievances related to Small Savings and discuss other operational issues relating to Small Savings Schemes to improve quality of services for investors at distribution channels.



**Shri. S.L. Kureel, Regional Director, NSI Chennai is seen in discussion with the members during the SLCC meeting for the state of Karnataka**

The State Level Co-ordination Committee meeting for the state of Karnataka was held on 22<sup>nd</sup> June 2018 at Department of Treasury, Directorate of Pension, Small Savings and Asset Liability Monitoring, Bangalore. The meeting was attended by officials from Department of Posts, Banks, Assistant Directors from Karnataka State Government and various associations of agents working in the state.



**Shri. K.K. Pradhan, Deputy Director, NSI Guwahati is seen in discussion with the members during the SLCC Meeting for the state of Mizoram**

The State Level Co-ordination Committee meeting for the state of Mizoram was held on 22<sup>nd</sup> May 2018 at the office premise of Director of Small Savings, Government of Mizoram. The meeting was attended by Superintendent of Post Office (Aizwal); officials from Banks such as ICICI, HDFC and Axis Bank; Director of Small Savings, Government of Mizoram, Mrs. Jennifer HI Duhawmi; and representatives of Small Savings agents working in the state.

### **INTER MEDIA PUBLICITY COORDINATION COMMITTEE MEETING, GUWAHATI**

The Inter Media Publicity Coordination Committee meeting was held for North – Eastern Zone on 13<sup>th</sup> June 2018 at Sainik Bhawan, Guwahati. The meeting was chaired by Director General (N.E. Zone) of Press Information Bureau, Government of India. The officials from All India Radio, Doordarshan etc. also participated in the meeting. The IMPCC acts as a platform for publicity of Government Schemes including Small Savings and programmes through public media.



**Shri. K.K. Pradhan, Deputy Director, NSI Guwahati is seen in discussion with the members during the Inter Media Publicity Coordination Committee Meeting, Guwahati**

## **ANNUAL REVIEW MEETING**

Annual Review Meeting of National Savings Institute was held on 10<sup>th</sup> and 11<sup>th</sup> May 2018 at NSI Headquarters, New Delhi. Regional Directors, Deputy Directors of Regional Centres and Field Operation Unit, Delhi gave presentations of their activities and achievements during the year 2017 – 18 in their respective areas. Modalities for undertaking field activities and targets for the year 2018 – 19 were discussed and finalised. During the meeting, status of outstanding court cases was also reviewed and strategy to minimise the court cases was also chalked out. The meeting was followed by a workshop on implementation of Rajbhasha Hindi in official work.



**Officers of NSI seen in discussion during Annual Review Meeting held in New Delhi on 10<sup>th</sup> and 11<sup>th</sup> May 2018**

## **NSI OBSERVES INTERNATIONAL YOGA DAY**

International Yoga Day was observed by National Savings Institute, New Delhi on 21<sup>st</sup> June 2018. On this occasion, a session on Yoga for Peace and Harmony based on Common Yoga Protocol issued by Ministry of AYUSH was conducted by Shri. A.K. Chauhan, Joint Director and HoD, National Savings Institute. All the staff members of NSI Headquarters, New Delhi attended the session.

## **TRAINING PROGRAMME FOR AUTHORISED AGENTS**

National Savings Institute organizes training programmes for officers and staff of Post Offices and Banks and Authorised Agents on operation of National Savings Schemes. The training aims at updating knowledge of officials of Operational Agencies and Authorised Agents on Scheme Rules and emphasises on effective implementation of AML/CFT norms. Open house discussion to resolve scheme related complaints and queries is also part of such training programmes.



**Glimpse of Training Programme organized by NSI Regional Centre, Guwahati for National Savings Agents at Training Hall, DC Office, Dibrugarh on 27<sup>th</sup> June 2018**



**Glimpse of Training Programme organized by NSI Regional Centre, Kolkata for National Savings Agents at General Post Office, Ranchi on 14<sup>th</sup> June 2018**



**Glimpse of Training Programme Organised by NSI Regional Centre, Kolkata for National Savings Agents at Head Post Office, Darbhanga, Bihar on 26<sup>th</sup> June 2018**



**Glimpse of Training Programme Organised by NSI Regional Centre, Mumbai for National Savings Agents at Head Post Office, Durg on 22<sup>nd</sup> May 2018**

Similar training programmes were held for Post Offices and Banks at several other locations in the country.

## **OVER 23.28 LAKH NEW ACCOUNTS OPENED ACROSS THE COUNTRY UNDER SUKANYA SAMRIDHI ACCOUNT SCHEME IN THE YEAR 2017 – 18**

Sukanya Samridhi Scheme, launched in January 2015 for welfare of girl child has been a great success. Until 30<sup>th</sup> June 2018, 1.38 crore accounts have been opened across the country in the name of girl child below the age of 10 years with a deposit of an amount of ₹25,193.32 crores in these accounts.

**During the Financial Year 2017 – 18, the no. of new accounts opened under Sukanya Samridhi Account Scheme has been 23.28 lakh and an amount of ₹12,988.73 crores has been deposited under the scheme.**

Out of the total accounts opened in the year 2017 – 18 under Sukanya Samridhi Account Scheme, Post Offices maintain 72.70% while 27.30% accounts are maintained by Commercial Banks. 59.59% of total deposits under the scheme is held in accounts in Post Offices while remaining 40.41% is held in the accounts with Banks.

### **Salient Features of Sukanya Samridhi Account**

1. Account can be opened by Resident Indian citizen as guardian, in the name of a resident Indian citizen beneficiary girl, who has not attained the age of 10 years as on the date of opening of the account.
2. Single account can be opened in the name of a girl child, upto a maximum of two girl children in a family. Third account can only be opened in case of second birth of twin girls or first birth of triplets.
3. Account can be opened in Post Offices and Authorised Commercial Banks.
4. Birth Certificate of the beneficiary girl child in whose name the account is opened shall be submitted. The other supporting documents required for opening of SSA are Aadhar, Address Proof and Identity Proof.
5. Account can be opened with a minimum of ₹1000 and thereafter any amount in multiples of ₹100 can be deposited, with a maximum deposit of ₹1,50,000 in a financial year.
6. A minimum of ₹1000 must be deposited in a financial year.



7. Interest (at rate notified by the government from time to time) will be calculated on lowest balance in the account between the close of the 10<sup>th</sup> day and last day of the month, calculated on yearly compounding basis and gets credited to the account.
8. One withdrawal shall be allowed as lump sum or in instalments, not exceeding 1 per year for a maximum of 5 years, on passing 10<sup>th</sup> standard by the beneficiary girl to meet education expenses equivalent to 50% of the balance at the credit of preceding financial year.
9. The account can be transferred anywhere in India from one Post Office/Bank to another.
10. The account shall mature on completion of 21 years from the date of opening or on completion of 18 years in case of marriage of girl, whichever is earlier, provided that no such closure of account shall be made before one month preceding the date of the marriage or after three months from the date of such marriage.
11. No interest shall be payable once the account completes 21 years from the date of opening.

## **ROBUST GROWTH IN SMALL SAVINGS COLLECTIONS IN 2017 - 18**

### **Overall Collections**

During the Financial Year 2017 – 2018, gross collections under Small Savings Schemes have been ₹5,96,402.31 crores and net collections were at ₹1,58,180.43 crores. The wide gap in the gross and net collections can be attributed to a substantial volume being withdrawn on maturity by the investors.

### **Growth in Collections**

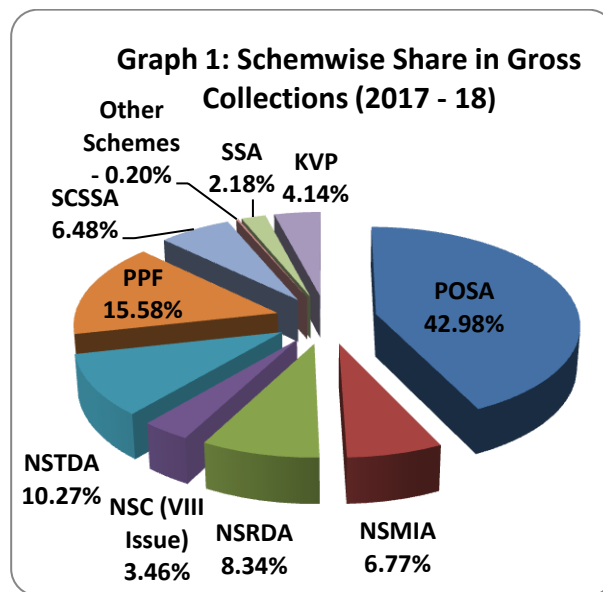
**Overall, there has been a rise in terms of both gross and net Small Savings Collections during the year 2017 - 18 as compared to the collections secured in 2016 – 17. A substantial increase of 19.18% in gross collections and an impressive increase of 43.66% in terms of net collections have been recorded in the country during the year.**

### Contribution to Total Collections by Operating Agencies

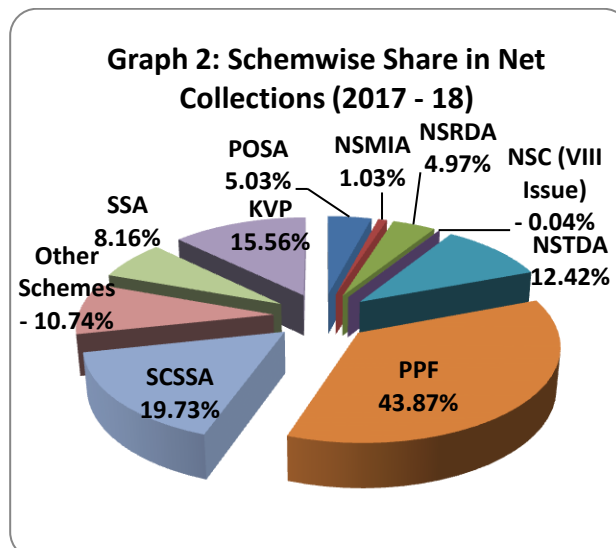
Out of the collections mobilized in the year 2017 – 18 under Small Savings in the country, Department of Posts contributed a share of 81.80% in the gross collections and 45.50% to the total net collections. The remaining share of 18.20% in case of gross collections and 54.50% in case of net collections has been contributed by the Authorised Commercial Banks.

### Security – Wise Contribution to Overall Collections

The share of Post Office Savings Account (POSA) in total collections during the year has been the highest in gross collections at 42.98% followed by Public Provident Fund (PPF) at 15.58%, National Savings Time Deposits at 10.27%.



The highest share in overall net collections during the year have been recorded in PPF (43.87%), followed by Senior Citizens' Savings Scheme Account (SCSSA) at 19.73%, Kisan Vikas Patra (KVP).



### Comparative Performance of the Schemes

In the gross collections during the year 2017 - 18, SCSSA recorded a considerable increase of 87.14% followed by NSC (70.99%), 5 – Year Time Deposits (66.49%), 2 – Year Time Deposits (61.68%) and KVP (45.77%) as compared to the previous year.

In terms of net collections, National Savings Time Deposits (117.67%), out of which 1 – Year Time Deposits (295.09%) and 3 – Year Time Deposits (143.50%) recorded the maximum increase, followed by National Savings Monthly Income Account (111.82%), SCSSA (99.93%) and NSC (93.02%) are the schemes which have recorded significant increase in the F.Y. 2017 – 18 over the previous year.

## IMPORTANT ORDERS ISSUED IN FIRST QUARTER (1<sup>st</sup> APRIL 2018 – 30<sup>th</sup> JUNE 2018) OF FINANCIAL YEAR 2018-19

### Revision of Small Savings Interest Rates

As per the decision of the Government, interest rates for Small Savings Schemes are to be notified on quarterly basis since April 1, 2016 to align them with the market rates of the relevant Government securities.

The rates of various Small Savings Schemes for the first quarter of financial year 2018 – 19 starting 1<sup>st</sup> April 2018, and ending on 30<sup>th</sup> June 2018, on the basis of the interest compounding/ payment built – in the schemes, were fixed as presented in the table below:

Instrument		Rate of Interest w.r.t. 01 - 04 - 2018 to 30 - 06 - 2018	Compounding Frequency
Savings Deposit		4.0	Annually
National Savings Time Deposit	1 - Year	6.6	Quarterly
	2 - Year	6.7	Quarterly
	3 - Year	6.9	Quarterly
	5 - Year	7.4	Quarterly
5 - Year Recurring Deposit		6.9	Quarterly
5 - Year Senior Citizens' Savings Scheme		8.3	Quarterly and paid
5 - Year Monthly Income Account		7.3	Monthly and paid
5 - Year National Savings Certificate		7.6	Annually
Public Provident Fund Scheme		7.6	Annually
Kisan Vikas Patra		7.3 (will mature in 118 months)	Annually
Sukanya Samridhi Account Scheme		8.1	Annually

**The interest rates were further ordered to remain unchanged for the second quarter ending 30<sup>th</sup> September 2018 as per OM F.No. 01/04/2016–NS dated 2<sup>nd</sup> July 2018.**

### **Regularisation of PPF Accounts Opened in Joint Names**

As per Notification issued vide OM F.No.3/1/2016-NS dated 7<sup>th</sup> May 2018, Ministry of Finance, Department of Economic Affairs has given a one – time opportunity to Post Offices and Banks to consider regularisation of irregular PPF accounts opened in joint names. As per the Public Provident Fund Scheme, 1968, a PPF account cannot be opened in joint names, i.e. in the names of more than one individual. It has been decided that Banks and Post Offices will identify such PPF Accounts and forward a consolidated proposal to MOF by 30<sup>th</sup> August 2018 for regularisation of all such accounts erroneously opened in joint names, indicating clearly in the proposal the name of one of the joint subscribers in respect to each such account, in whose name the account may be regularised.

**The Department of Posts vide SB Order No. 06/2018 dated 28<sup>th</sup> May 2018 has directed all circles to launch special drives to identify PPF accounts opened in joint names.**

### **Mandatory Use of Savings Account for Credit of Maturity/Premature Value and Interest Payments Withdrawn**

The proposal of Department of Posts to mandatory use of POSA for credit of maturity value and interest payments in various Small Savings Instruments operated by Department of Posts was approved by Ministry of Finance on 3<sup>th</sup> August 2017. The permission was withdrawn as per the OM No. 1/3/2017\_NS dated 23<sup>rd</sup> March 2018 and it has been decided that the interest and maturity proceeds of all the instruments may be paid to the depositors through any of the following modes:

1. Savings Account at Post Office
2. Savings Account at any Commercial Bank
3. Cheque
4. Cash

**The Department of Posts vide SB Order No. 05/2018 dated 2<sup>nd</sup> April 2018 has conveyed to all Postal circles that it implies that existing system/provisions will continue and there would not be any compulsory requirement of payment of interest and maturity proceeds through Post Office Savings Account.**