

SANCHAYA

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NATIONAL SAVINGS INSTITUTE

GOVERNMENT OF INDIA, MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

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Training Programme for Officials and Supervisors of Banks Handling Government Savings Schemes

National Savings Institute organizes training programmes for officers and staff of Post offices and Banks on operation of National Savings Schemes. A training programme for officers of Banks, namely State Bank of India, Corporation Bank, Andhra Bank, Bank of Baroda, Bank of India, Punjab & Sind Bank, Central Bank of India, United Bank of India, UCO Bank, Vijaya Bank, Indian Bank and private banks such as ICICI Bank and HDFC Bank, was organized by NSI Headquarters, Delhi on 22nd February 2018. The programme emphasized on correct implementation of rules and provisions of Public Provident Fund, Sukanya Samridhi Account, Kisan Vikas Patra and Senior Citizens' Savings Schemes operated by Banks.



Workshop on Revision in Government Savings Banks General Rules at NSI Headquarters, Delhi

Officers and representatives from Department of Post, Nationalised and other Commercial Banks and Authorised Agents attended a workshop organized by NSI, Delhi on 22nd March 2018 at NSI Headquarters, Delhi which aimed at working out the amendments in Government Savings Banks General Rules, 2018 in tune with the amendment in Government Savings Promotion Act, 1873.

Hindi Workshop Organised by NSI Headquarters, Delhi



With a view to promote use of Rajbhasha Hindi in the office work, a workshop was organized on 14th March 2018 by the National Savings Institute, which was attended by the officers and employees of the department. The workshop was inaugurated by Mr. Rameshbabu Annieree, Director (Official Language), Ministry of Finance, Department of Economic Affairs. Use of Unicode on Computer, Noting and Drafting in Hindi, Hindi Vocabulary, Official Language Policy of the Government were the major subjects discussed.



3rd SLCC Meeting at NSI Kolkata

The 3rd State Level Co-ordination Committee meeting for the year 2017 – 18 for the state of West Bengal was held on 27th March 2018 at The Office of the Regional Director, NSI Kolkata.

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

The committee meets once in a quarter to discuss and settle issues/grievances pertaining to operation of National Savings Schemes in the state.

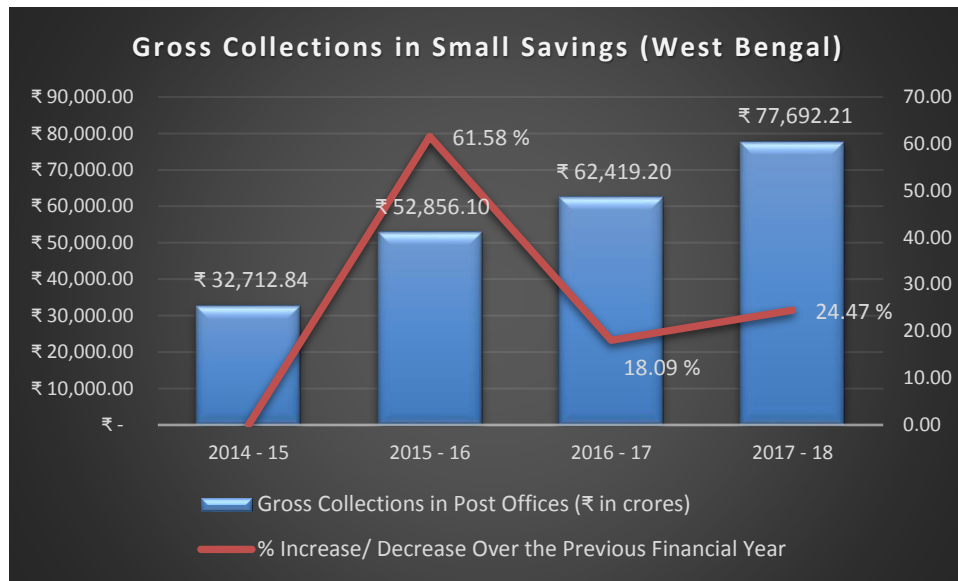


The agenda was to address the numerous complaints/ grievances and discuss structured single window mechanism for redressal of investors' grievances and customer oriented operation of Savings Schemes by the operating agencies and authorized agents. The meeting was attended by officials from Department of Posts, Banks and various associations of agents working in the state.

West Bengal Tops the Country in Small Savings Collections

Despite Government announcing a cut in the interest rates on Small Savings Schemes across maturities including the PPF scheme for the Financial Year 2017 – 18, collections upto February 2018 under National Savings Schemes have recorded a growth of 15.68% in terms of gross collections and 20.40% in terms of net collections over the collections in the corresponding period of the previous year.

The state of West Bengal continues to remain on the top for four consecutive financial years.



Glimpse of Training Programme organized by NSI Kolkata for Authorized Agents on 13th March 2018 at Head Post Office, Barasat, West Bengal

Important Orders Issued In Fourth Quarter (1st January 2018 – 31st March 2018) of Financial Year 2017-18

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 fourth quarter of financial year 2017 – 18 starting 1st January 2018, and ending on 31st March 2018, on the basis of the interest compounding/ payment built – in the schemes, has been presented in the table below along with interest rates in the previous quarter for comparison:

Instrument		Rate of Interest w.r.t. 01 - 10 - 2017 to 31 - 12 - 2017	Rate of Interest w.r.t. 01 - 01 - 2018 to 31 - 03 - 2018	Compounding Frequency*
Savings Deposit		4.0	4.0*	Annually
National Savings Time Deposit	1 - Year	6.8	6.6	Quarterly
	2 - Year	6.9	6.7	Quarterly
	3 - Year	7.1	6.9	Quarterly
	5 - Year	7.6	7.4	Quarterly
5 - Year Recurring Deposit		7.1	6.9	Quarterly
5 - Year Senior Citizens' Savings Scheme		8.3	8.3*	Quarterly and paid
5 - Year Monthly Income Account		7.5	7.3	Monthly and paid
5 - Year National Savings Certificate		7.8	7.6	Annually
Public Provident Fund Scheme		7.8	7.6	Annually
Kisan Vikas Patra		7.5 (will mature in 115 months)	7.3 (will mature in 118 months)	Annually
Sukanya Samridhi Account Scheme		8.3	8.1	Annually

*No Change

The interest rates have been reduced by 20 basis points across several small savings schemes except for Savings Deposits and 5 – Year Senior Citizens’ Savings Scheme. As per the Notification 01/04/2016-NS dated 27th December 2017, NSC and PPF will fetch a lower interest rate of 7.6% annually while KVP would yield 7.3% and will mature in 118 months. The Sukanya Samridhi Scheme for the savings of girl child will offer 8.1% annually. Moreover, 5 – Year Recurring Deposit interest rates are aligned at 6.9% while National Savings Time Deposit of 1 - 5 Years will yield an interest rate of 6.6% - 7.4% paid quarterly depending upon the time – period.

It has further been issued vide OM F.No. 01/04/2016–NS dated 28th March 2018 that the rates of interest mentioned above shall also remain applicable during the quarter April – June 2018.

Amendment To Government Savings Bank Act, 1873

In order to remove existing ambiguities due to multiple acts and rules for Small Saving Schemes and further strengthen the objective of "Minimum Government, Maximum Governance", the Ministry of Finance proposed the merger of the Government Savings Certificates Act, 1959 and the Public Provident Fund (PPF) Act, 1968 by suitably amending the Government Savings Banks Act, 1873 now renamed as Government Savings Promotion Act.

With an Umbrella Act, relevant provisions of the Government Savings Certificates Act, 1959 and the Public Provident Fund Act, 1968 would stand subsumed in the new amended act. All existing protections in the schemes have been retained while consolidating PPF Act under the proposed Government Savings Promotion Act. No existing benefits to depositors are proposed to be compromised on any of the functional provision of the existing act.

The additional provisions have been added in the Act for the betterment of depositors retaining the existing benefits.

- **Premature Closure:** To make provisions for premature closure easier in respect of all Small Savings Schemes, the benefit of premature closure may now be introduced to deal with medical emergencies, higher education needs etc.
- **Deposit By Guardian/Minor:** Investment in Small Savings Schemes can be made by the Guardian on behalf of minor(s) and guardian may also be given associated rights and responsibilities. The provision has also been made to promote the culture of savings among children.
- **Operation of Account In Case of Physically Infirm and Differently Able Persons:** Provisions have been made for the operation of accounts in the name of physically infirm and differently able persons.
- **Death of Depositor:** As per the existing provisions, if the depositor dies and nomination exists, the outstanding balances will be paid to nominee(s), hence right of nominees have now been clearly defined.
- **Nomination By Minor:** Provisions for nomination with regard to account opened in the name of minors have been incorporated with further provision that if the minor dies and there is no nomination, the balances shall be paid to the guardian in that case.
- **Redressal of Grievances:** Provision to put in place mechanism for redressal of grievances and for amicable and expeditious settlement of disputes related to Small Savings have been made.

The above provisions proposed in the amended Act will add to the flexibility in operation of the Account under Small Savings Schemes. In addition to this, Small Savings Schemes offer higher interest rates than bank deposits, and some of the schemes enjoy income tax benefits.

Public Provident Fund (PPF) Accounts Held By Non – Resident Indian

As per Notification issued vide GSR No. dated 3rd October 2017, if a resident who opened a PPF account subsequently becomes a non – resident during the currency of the maturity period, the account shall be deemed to be closed with effect from the day he becomes a non – resident and interest with effect from that date shall be paid at the rate applicable to the Post Office Savings Account up to the last day of the month preceding the month in which the account is actually closed.

It has now been decided to keep the said notification in abeyance vide OM No. 01/10/2016-NS dated 23rd February 2018.

Instructions for Making Payment of Maturity Value and Interest by Post Offices

The proposal of Department of Posts to mandatory use of POSA for credit of maturity value and monthly/quarterly/yearly interest in the various Small Savings Instruments operated by Department of Posts was approved by Ministry of Finance on 3th August 2017. The permission has now been withdrawn as per the OM No. 1/3/2017_NS dated 23rd 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 Commerical Bank**
- 3. Cheque**
- 4. Cash**

Inclusion of Aadhar in Respect of Small Savings Schemes

Aadhar number was prescribed as the unique identifier for the purpose of an identity of the account holder and the depositor was required to submit Aadhar number at the time of opening of account/ purchasing certificates. The last date for submission of Aadhar Card was extended from 31st December 2017 to 31st March 2018 and **now has been extended from 31st March 2018 until further orders vide OM F.No. 01/03/2015 – NS dated 27th March 2018.**

Issuance of NSC and KVP Certificates in A4 Size Paper by Banks

In reference to the letter GAD/3962/15.02.003/2015-16 dated June 14, 2016 on discontinuation of physical pre – printed NSC and KVP certificate, the Government of India vide the OM F.No. 01/04/2016_NS dated August 4, 2017 advised that **KVP can be issued on A4 size paper for certain customers who insist on a paper certificate provided due caution is taken to ensure that the document can't be forged and the print copy may carry a unique ID and Aadhar No. of the subscriber.**

Annexure 7

MINISTRY OF FINANCE, DEPARTMENT OF ECONOMIC AFFAIRS, NATIONAL SAVINGS INSTITUTE, NEW DELHI							
CONSOLIDATED STATEMENT SHOWING STATE/ UT WISE PROGRESSIVE GROSS & NET SMALL SAVINGS COLLECTIONS IN POST OFFICES AND BANKS UPTO FEB 2018							
(Rs. In Crores)							
SR.NO	NAME OF THE STATE/UT	Gross	Net	Gross	Net	Gross	Net
		PostOffices		Banks		Total(PO+Banks)	
1	A&N ISLAND-UT	100.95	33.60	19.34	17.45	120.29	51.05
2	ANDHRA PRADESH	14,788.54	2,031.27	792.42	627.95	15,580.96	2,659.22
3	ARUNACHAL PRADESH	511.92	105.40	30.84	23.95	542.76	129.35
4	ASSAM	7,550.92	1,319.48	408.30	318.07	7,959.22	1,637.55
5	BASE(Army Postal Office)	571.07	-178.90			571.07	-178.90
6	BIHAR	23,150.19	2,415.97	755.41	592.19	23,905.60	3,008.17
7	CHANDIGARH-UT	1,733.19	422.83	460.40	310.37	2,193.58	733.20
8	CHHATTISGARH	5,097.58	803.15	948.62	729.77	6,046.20	1,532.93
9	DADRA AND NAGAR HAVELI-UT			1.68	1.67	1.68	1.67
10	DAMAN & DIU-UT	187.65	3.04	10.84	5.70	198.49	8.74
11	DELHI-UT	14,088.71	1,797.20	6,965.18	4,968.11	21,053.89	6,765.31
12	GOA	1,138.13	155.20	469.94	356.20	1,608.07	511.40
13	GUJARAT	35,270.05	2,751.80	4,653.62	2,720.09	39,923.68	5,471.90
14	HARYANA	12,518.58	2,228.11	2,039.18	1,593.42	14,557.77	3,821.53
15	HIMACHAL PRADESH	8,995.54	1,736.39	1,286.15	1,113.41	10,281.68	2,849.80
16	J&K	5,738.71	608.70	340.29	282.42	6,079.00	891.12
17	JHARKHAND	8,785.60	1,216.31	1,111.29	902.16	9,896.88	2,118.47
18	KARNATKA	18,297.16	179.65	3,084.43	2,288.46	21,381.59	2,468.11
19	KERALA	12,448.43	2,666.83	601.55	459.20	13,049.98	3,126.04
20	LAKSHDWEER-UT	3.27	1.05	0.00	0.00	3.27	1.05
21	MADHYA PRADESH	12,661.84	1,936.95	1,631.99	1,196.13	14,293.83	3,133.08
22	MAHARASHTRA	34,333.48	5,283.65	11,150.57	5,584.81	45,484.06	10,868.46
23	MANIPUR	170.14	22.32	6.70	5.90	176.84	28.22
24	MEGHALAYA	531.37	59.37	99.71	92.46	631.08	151.83
25	MIZORAM	156.58	-5.94	2.48	2.08	159.06	-3.85
26	NAGALAND	139.73	17.26	6.54	2.10	146.27	19.36
27	ORISSA	12,502.50	2,633.98	1,085.76	920.24	13,588.26	3,554.22
28	PONDICHERRY-UT	264.11	84.12	613.34	524.47	877.46	608.59
29	PUNJAB	21,923.03	2,292.46	1,628.42	1,133.36	23,551.45	3,425.82
30	RAJASTHAN	14,770.48	2,235.23	1,967.54	1,474.92	16,738.02	3,710.15
31	SIKKIM	211.72	16.85	9.09	7.89	220.81	24.74
32	TAMIL NADU	23,059.53	7,249.26	1,685.36	1,116.76	24,744.88	8,366.02
33	TELANGANA	12,371.75	834.51	1,350.47	1,047.58	13,722.21	1,882.09
34	TRIPURA	1,818.80	395.88	43.45	38.91	1,862.25	434.78
35	UTTAR PRADESH	54,392.25	6,685.59	5,601.10	4,223.55	59,993.35	10,909.14
36	UTTARAKHAND	8,373.96	1,467.99	2,289.36	1,960.82	10,663.32	3,428.81
37	WEST BENGAL	70,581.75	9,218.40	7,871.83	6,284.71	78,453.59	15,503.11
Total		4,39,239.20	60,724.93	61,023.20	42,927.32	5,00,262.40	1,03,652.25

NOTE :- The figures received from the department of posts, new Delhi and Banks are subject to reconciliation.

Above figures include data from 12 banks as per Annexure 5.