

A Study On Sukanya Samridhhi Yojana

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Abstract: Sukanya Samridhhi Scheme is an initiative by Indian government. It is a small saving scheme launched on 22nd January 2015 in panipat, Haryana by honourable Prime Minister Narendra Modi. This is a girl child prosperity scheme under” Beti Bachao Beti Padhao” program of PM Narendra Modi. The idea behind the scheme is to ensure a bright future to girl child in India by providing financial support for their education and marriage. This scheme also supports the economic development of the country by supporting the girl education. It also increases the literacy rate of females, which helps in increase of the incomes and standard of living of people. This scheme leads to overall development of country, as the girls education also helps in decreasing the population. The objective of the paper is to study the concept and benefits of SUKANYA SAMRIDDDHI SCHEME.

Key Words: Sukanya Samridhhi, Economic Development, Rule.

INTRODUCTION

The National Mission on Financial Inclusion or Sukanya Samridhhi Yojana a small savings scheme was started by the Ministry of Finance, Department of Financial Services, Government of India, with a wide vision to provide access to banking facilities to those people who are not having any bank accounts or still unbanked from the formal banking sector, so that they can also be involved in the banking sector which is necessary for economic development and for the welfare of poor people. Under this scheme people will get basic bank accounts with insurance facility and an additional facility of overdraft. Thus, they will avail benefit offered by banks and facilities provided by the government and will be able to develop small savings habits among them, and it will enhance capital formation, which will in result increase economic development of the country. This scheme was launched by our honourable Prime Minister Narendra Modi on 22nd January 2015 in Panipat, Haryana.

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This scheme is a girl child prosperity scheme under “Beti Bachao Beti Padhao” Program of PM Narendra Modi. This scheme main aim is girl children prosperity and their welfare, where the girls faced a lot of discrimination and various problems. This is the reason why this program was introduced for their development purpose. This scheme helps in increasing the literacy rate in India and also leads to economic development .It also encourages the girl children to obtain employment after their education, which also increases the standard of living of the people as the total income of the family increases.

OBJECTIVE-To analyze the performance of Sukanya Samridhhi Yojana Scheme in India

METHODOLOGY-This study is based on secondary data. Various journals, websites, newspapers, publications and articles are used as a source for collecting information.

SUKANYA SAMRIDDDHI YOJANA-Sukanya Samridhhi Scheme comes from Ministry of Finance under its notification GSR 863(E). This notification was published on 2nd December 2014 but was launched on 22nd January 2015. It is a small savings scheme which provides interest and also has some rules, benefits and short comes.

Rules and Requirements

- MAIN OBJECTIVE- the main objective of the scheme is to provide financial security for the welfare of the girl child.
- The SSY accounts under this scheme can be opened in any authorised banks or post offices.
- Only the parents or guardians of the girl child can open the Sukanya Samridhhi Account.
- Only one account can be opened for a single child.
- The parent or the guardian can open maximum of two accounts for two girl children i.e., one for each but third account can be opened under the exceptional cases like if the second birth involves twin girls.
- To open the account an application form of Sukanya Samridhhi Yojana has to be filed along with some necessary documents like birth certificate, identity proof of the depositor (PAN card, ration card etc.) Address proof of the depositor.
- The account can be opened till the girl child obtains an age of 10years (0-10years)

- A minimum amount of Rs1, 000.00 has to be deposited while opening the account. Thereafter, Rs1, 000.00 as a minimum amount has to be deposited every year compulsorily. The amount can be paid in the multiple of Rs100.00.
- The maximum limit to deposit in the account is Rs1, 50,000.00 per year.
- If the minimum amount of deposits are not made per year Rs50 as fine is levied along with the payment of the minimum amount.
- The account reaches the maturity after the time period of 21 years from the date of opening the account.
- If the girl attains 18 years and gets married normal closure is allowed.
- Deposits are made for first 14 years, after this period the account will earn only applicable rate of interest if the account is not closed. Then it will not earn interest at the prevailing rate.
- The account allows 50% withdrawals at the age of 18 of the girl for higher education purposes.

How to fill SSY Application Form-The SSY Application Form requires applicants to provide some key data regarding the girl child in whose name the investment will be made under the Beti Bachao, Beti Padhao Yojana. Details of the parent/guardian who will be opening the account/making deposits on her behalf are also required. The following are the key fields that are featured in the SSY Application Form:

- Name of Girl Child.
- Name of Parent/Guardian opening the account.
- Initial deposit amount
- Cheque/DD Number and Date (used for initial deposit)
- Date of Birth of girl child
- Birth Certificate details of primary account holder.
- ID Details of Parent/Guardian.
- Present and Permanent Address.
- Details of any other KYC Documents.

BENEFITS

- As per section 80C of the IT Act, 1961 tax deduction benefits under Section 80C up to Rs. 1.5 lakh annually; in the latest Finance Bill the scheme has been extended three benefits mainly i.e., there will be no

- tax on the amount invested, amount earned as interest and amount withdrawn.
- The account can be transferred to any other authorised banks or post offices in India.
- The deposits can be made by any mode like Cash/Cheque/Demand Draft/Internet banking.
- Standard instructions can be given either at the branch or set through internet banking for automatic credit to Sukanya Samridhi Account.
- Comparatively better interest rate offered than other schemes.
- Withdrawals can be made at 18 years for educational purposes.
- Account is allowed to open only for two girl children apart from the exceptional cases.
- The interest rate changes for every year, there is no fixed rate of interest calculated i.e., the interest rate is regulated by Ministry of Finance and is declared every year.
- No online transfer facility in post office.
- High lock-in period of 21 years is a disadvantageous thing for those people who are looking for short period investment options.
- Due to this high lock-in period premature withdrawals are not allowed exceptional from the option to withdraw 50% at 18 years for educational purposes.

How to Check Your SSY Account Balance-If your account is maintained with a participating bank branch, account balance can be checked easily through internet banking or mobile banking. You do however need to ensure that this account is linked to your existing net banking account for easy access to account records. This option of online balance check for SSY accounts held with participating banks is in addition to the passbook update option by physically visiting the bank branch.

If you have opened your SSY account at an India Post Office, there is currently no way to check the balance in the account online. You will have to visit the post office branch to get your passbook updated in order to perform a balance check.

Calculation Example of SSY Account Deposits

The benefit of any investment can only be determined based on how much the investment grows over time. The following is a sample

calculation showing the high returns you can get by making contributions to the Sukanya Samridhi Yojana.

Let's assume the following:

- **Annual investments = Rs. 1 lakh**
- **Investment Period = 15 years**
- **Total amount invested at the end of 15 years=Rs. 15 lakh**

Value of Sukanya Samridhi Investments at the end of 15 years assuming 8% per annum rate of interest = Rs. 28.32 lakh. Thus you can almost double your money by investing in this guaranteed return investment in the long term.

TAXATION- At the time of launch only the deposits in the account were eligible for the tax reduction under section 80C, Tax Act in 2015-16. However Finance Minister Arun Jaitley announced during 2015 Union Budget, the exemption on the interest from the account and on the withdrawals from the fund after the maturity, making the benefits similar to the Public Provident Fund. These changes were applied from 1st April 2015.

Partial Withdrawal-The girl can also avail partial withdrawal facility (not more than 50% of the balance) after attaining the age of 18 years for higher education expenses.

Premature closure of Sukanya Samridhi Account-Premature closure can only be done by a girl child on attaining the age of 18 years for the purpose of marriage expenses. However, there are some special cases under which the account can be closed and the respective amount can be withdrawn:

Conclusion-Sukanya Samridhi Yojana is a very good and beneficial scheme to every girl child and provides Financial support by their savings from their account for the welfare (education, marriage expenses) of girl children. It also provides interest on the deposits but varies every year which is a limitation of this scheme, so measures have to be taken for maintaining same interest rates every year and for the overall success of the scheme. This scheme also plays a role in economic development of the country by giving importance to girl child by promoting the educational opportunities for them. Therefore the Government of India has to take such initiatives further for the upliftment of poor, neglected sections of the society and others like unemployed etc. They have to

take necessary steps to meet the expectations of the people regarding such schemes.

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