

Financial Inclusion—A Study on Sukanya Samriddhi Yojana

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Abstract: *Sukanya Samriddhi 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 Padoo 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 SAMRIDDHI SCHEME.*

Key Words: *Sukanya Samriddhi, Economic Development, Literacy Rate.*

I. Introduction

Sukanya Samriddhi Yojana is an initiative by Indian Government. This scheme was launched by our honourable Prime Minister Narendra Modi on 22nd January 2015 in Panipat, Haryana. This scheme is a girl child prosperity scheme under Beti Bachao Beti Padoo 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

The objective of the paper is to study the concept and benefits of SUKANYA SAMRIDDHI SCHEME. This scheme is to ensure a bright future for girl children in India. This yojana is to facilitate them proper education and carefree marriage expenses.

METHODOLOGY

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

II. Review Of Literature

- Mr.Rameshwar P.Rasal expressed his view that this scheme is a beneficial scheme to girl children for their literacy and this is one of the schemes that provides highest rate of interest.
- V.Venkatachalam and Dr. G. Ravindran of Tamil Nadu putforth their opinion that this scheme is especially for Indian parents and guardians to design for girl's higher education or marriage needs so that her financial needs won't be a burden to the family.

SUKANYA SAMRIDDHI YOJANA

Sukanya Samriddhi 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.

III. Rules / 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 Samriddhi 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 Samriddhi 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 (electricity bill, telephone bill)
- The account can be opened till the girl child obtains an age of 10 years (0-10 years)
- A minimum amount of Rs1,000 has to be deposited while opening the account. Thereafter, Rs1,000 as a minimum amount has to be deposited every year compulsorily. The amount can be paid in the multiple of Rs100.
- The maximum limit to deposit in the account is Rs1,50,000 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.

BENEFITS

- As per section 80C of the IT Act, 1961 ; 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 Samriddhi Account.
- Comparatively better interest rate offered than other schemes.
- Withdrawals can be made at 18 years for educational purposes.

SHORT COMES

- 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.

TAX REBATES

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. Initially, the interest rate was set as 9.1% for the Financial Year 2014-15, 9.2% during 2015-16, 8.6% for the Financial Year 2016-17 and 8.3% at present (for July 2017 to October 2017).

IV. Conclusion

In simple, Sukanya Samriddhi 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.

Reference

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