



**ORIGINAL RESEARCH PAPER**

**Economics**

**A NATIONAL SCHEME FOR FINANCIAL INCLUSION IN INDIA: AN ANALYSIS OF SUKANYA SAMRIDDI YOJANA (SSY)**

**KEY WORDS:** Financial Inclusion, SSY, Interest Rates, Accounts.

**Dr. D. Satyanarayana**

Assistant Professor, Department of Economics, Kakatiya University, Warangal-Telangana State

**ABSTRACT**

The Sukanya Samridhi Yojana is a small savings program that can be created by a girl child's parents or legal guardians at any post office or accredited commercial bank. The girl child is referred to as the "Account Holder" and the guardian is the "Depositor" in this case. A girl kid who is 10 years old or younger can have this account opened in her name by any parent or legal guardian. Access to safe, simple, and affordable credit and other financial services for the poor and vulnerable groups is acknowledged as a pre-condition to accelerating growth and development and reducing income inequality and poverty. The study examines how the Sukanya Samridhi Yojana scheme effort has affected the idea of financial inclusion. The Sukanya Samridhi Yojana program makes it simple to grow society's many social groups and contribute to the goal of financial inclusion. Financial inclusion aims to provide banking and financial services to the great majority of economically disadvantaged and low-income groups in a fair, transparent, and unbiased way at a reasonable cost.

**INTRODUCTION**

The majority of policies developed after Independence was based on the government's goal to use the banking sector as a significant agent of change. The planning strategy acknowledged the crucial role that the general public's access to credit and financial services plays in the overall development of the nation and the equitable distribution of the rewards of economic progress. In recognition of this responsibility, the authorities periodically updated the policy framework to make sure that the needs for financial services of diverse societal segments were satisfied.

The Ministry of Finance, Department of Financial Services, Government of India launched the National Mission on Financial Inclusion or Sukanya Samridhi Yojana, a small savings program, with a broad vision to give access to banking facilities to those people who do not have any bank accounts or are still unbanked from the formal banking sector, so they can also be involved in the banking sector which is necessary for economic development and for the welfare of the public. People will receive basic bank accounts with insurance capabilities and an additional overdraft facility under this program. As a result, people will take advantage of government- and bank-provided services and be able to establish minor savings habits. This will boost capital formation, which will ultimately lead to greater economic growth for the nation.

The Sukanya Samridhi Yojana financial inclusion program has been tremendously successful since its launch on January 22, 2015. With approximately, the public sector banks and the post office are contributing to the success of the program. The Sukanya Samridhi Account is a fantastic place to start to provide a girl kid financial independence in the pitiful scheme of the girl child. Although it is a less risky investing option, it won't produce returns comparable to those of the equities market or mutual funds. Currently, the interest rate is favorable. Depending on inflation, it might or might not be sufficient to save for college and marriage only through this plan, but it can be a component of one's overall portfolio. It may be a component of debt investments. As part of the "Beti Bacho-Beti Padhao" campaign, 1.88 laksh accounts have been opened under the Sukanya Samridhi plan for girl children through Indian post offices as of the first of February 2015. 9.1% interest would be paid on the deposits, and income taxes would also be refunded. According to the Finance Ministry, Karnataka has had 56,471 accounts opened, followed by Tamil Nadu with 43,362 accounts and Andhra Pradesh with 15,877 accounts. Postal Services Telangana Region reports that, up till February 2023, 34,384 Sukanya accounts, out of a total of 28,970 were opened throughout the

state, exceeding the goal by 118.69%. The most Sukanya accounts established were 4,266 in Khammam division, followed by 3,858 in Secunderabad division, 3,503 in Karimnagar division, 2,629 in Hyderabad South East, and 239 in Nalgonda.

Even though the program had a strong social objective of financial inclusion, the mission had not been fully converted into satisfactory action as a result of the program's incomplete inclusion in the tribal community and region. Still, just half of the tribe's population is aware of financial services specifically. The study's findings on financial inclusion activities, benefits, and awareness of these countries' inhabitants can be used to target the major goals of raising their level of awareness and living standards.

**Prerequisites for the Sukanya Samridhi Yojana program**

1. To open an account, a girl must be younger than 10 years old.
2. Only one girl child may not have several accounts opened.
3. If the second kid is a girl twin, three accounts can be formed under this plan, and the account can be opened by the child's parents or legal guardians.

**Features of the Sukanya Samridhi Yojana program**

1. The current interest rate offered by the plan for 2019–20 is 8.4%. The Sukanya Samridhi Yojana provided a higher interest rate when compared to other child schemes. Every three months, the interest was changed.
2. A tax deduction for scheme investments was allowed under section 80c, with a maximum deduction of 150,000.
3. To transfer your account, we must first complete and submit the Sukanya Samridhi Account Transfer Request Form to the Post Master of the India Post Office where it is now located. You can move the Sukanya deposit from one designated bank branch to another by using similar transfer forms, which are both online and offline.
4. For banks and other financial institutions, the concerned bank manager should sign the demand draft or check; for the post office, the concerned postmaster should sign the document. Otherwise, all forms of cash payment are available.
5. If the required minimum deposit of Rs. 250 is not made during a fiscal year, there will be a penalty of Rs. 50. It is not possible to apply for a loan based on the Sukanya Samridhi Account balance.
6. Public Provident Fund (PPF) accounts, which offer the benefit of loans against PPF accounts starting in the third year of subscription, are another government tax saving program that currently offers this benefit.

7. A minimum deposit of Rs. 250 will be required to open each account. Starting on July 6, 2018, the minimum yearly deposit amount required is now 250 rupees. Prior to that, the minimum annual deposit is Rs. 1,000. The amount that can be deposited into this account each year is capped at Rs. 1.50 lakhs per account. There is no cap on the number of deposits you can make in a month or a fiscal year.
8. The passbook, which contains information on the grandchild's name, date of birth, account number, address, and deposit amount, will be provided at the time of account opening. The money in this account cannot be withdrawn until the girl child reaches the age of 21.
9. Only girls who reach the age of 18 will be permitted before the closure is complete. For the purpose of paying for a wedding, only half of the total can be withheld. After the daughter has reached age 21 she will receive the remaining 50% of the money.
10. The program matures when a girl reaches the age of 21, and the closing sum is paid immediately into a girl kid account.

**Review of Literature**

Shri Jayant Sinha (2015), State Minister in the Ministry of Finance Up till October 31, 2015, 76,19,668 accounts were opened nationwide as part of the Sukanya Samridhhi Yojana. 2838.73 crore rupees have been collected under these accounts. A 21-year maturity period applies to accounts opened under the scheme, which was announced on December 2, 2014. One year of the program has passed. The result is that in this short period of time, 76, 19, 668 girl children have had Rs. 2838.73 crore deposited in their names. In addressing the Lok Sabha, this was mentioned.

A savings program for girl children is Selvamagal Semippu Thittam (2016) (Sukanya Samridhhi Account in Chennai). Within a month of the Department of Posts' opening, more than 50,000 accounts had been opened in the Chennai city area. Selva Magal Thittam, one of the better interest-earning savings plans, quickly gained enormous popularity in post offices and banks. The Department of Post has set a goal of opening 4.5 lakh accounts under the Sukanya Samridhhi Yojana New Savings Scheme, according to news that was reported on thehindu.com.

In India, one of the world's developing agrarian nations, the Sukanya Samridhhi Yojana has been introduced. This program was initially introduced by the India Post department. The world's largest network of post offices belongs to India Post. One of India's programmes with the highest interest rates is the Sukanya Samridhhi Yojana. According to Rameshwar P. Rasal (2016), the taluks of Thane and Kalian have the most deposits and the taluks of Murbad, Kalian, and Ulhasangar have the most accounts established.

**Statement of the Problem**

In today's society, saving is crucial to everyone. It depended on how each person lived their life. To help girls' futures at banks and post offices, the government has established numerous savings programs. One notable scheme is the Sukanya Samridhhi Yojana. The primary issue was that the government's initiative was not known to the illiterate population. Interest rates are unclear, and loans secured by the plan are not offered. Additionally, one of the issues is the maximum number of account openings. Only 50% of the total can be received by investors before to maturity; the remaining 50% will be issued towards the conclusion of the maturity period. A low priority is placed on this saving scheme awareness campaign. The current study is being conducted in an effort to develop solutions to the problems mentioned above.

**Objectives of the Study**

To evaluate Sukanya Samridhhi Yojana Scheme results in India

**Methodology**

**Data Source**

The research will be supported by secondary data. Methods of Purposive Sampling will be used in the investigation. Government publications, published articles, newspapers, reports, and official websites will all be used to gather the research's data.

**The study's time frame**

The study encompasses a three-year period from 2017–2022.

**Scope of the Study**

The study will help with the analysis of several aspects of Sukanya Samridhhi Yojana's effectiveness in all states of India. The study assists the decision-makers in determining the success and difficulties of the plan.

**Data Analysis and Interpretation**

**Sukanya Samridhhi Yojana Interest Rates 2023**

Interest rates for the Sukanya Samridhhi Yojana in 2023 and earlier (historic) rates for this government program are as follows:

Time Period	Interest Rate (%)
July to Sep 2023	8%
April to June 2023	8%
January to March 2023	7.6%
October to December 2022	7.6%
July to September 2022	7.6%
April to June 2022	7.6%
January to March 2022	7.6%
October to December 2021	7.6%
July to September 2021	7.6%
April to June 2021	7.6%
January to March 2021	7.6%
October to December 2020	7.6%
July to September 2020	7.6%
April to June 2020	7.6%
January to March 2020	8.4%
July to September 2019	8.4%
April to June 2019	8.5%
January to March 2019	8.5%
October to December 2018	8.5%
July to September 2018	8.1%
April to June 2018	8.1%
January to March 2018	8.1%
October to December 2017	8.3%
July to September 2017	8.3%
April to June 2017	8.4%

Source: National Savings Institute

**Sukanya Samridhhi Yojana (SSY) Calculation**

The Sukanya Samridhhi Yojana interest rates are subject to quarterly adjustment by the government. However, beneficiaries always have a good sense of how much money they will receive upon maturity by assuming the current SSY interest rates.

Consider a parent of a newborn girl who wants to begin investing at least Rs 10,000 year in the daughter's future through the SSY program. The current interest rate is 8% p.a.

Annual investment amount	Rs 10,000
Investment tenure	15 years
Total investment in 15 years	Rs 1,50,000
Interest rate	8% p.a.
Total interest earned in 15 years	Rs 1,43,243
Total amount after 15 years	Rs 2,93,243

Source: National Savings Institute

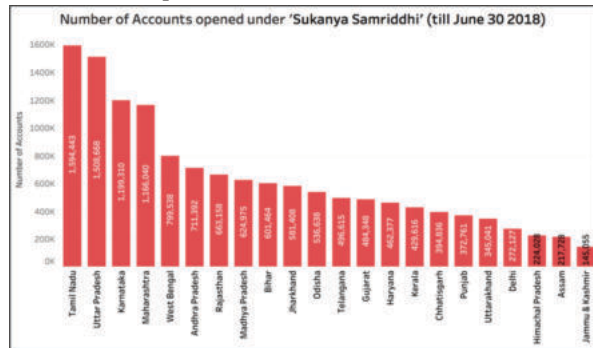
The scheme has a 15-year investment term. The entire investment would be Rs. 1.5 lakh if the parent were to put aside Rs. 10,000 every year for 15 years. If the interest rate on the

SSY stays at 8% per year during this time, will earn interest of Rs. 1.43 lakh. The scheme has a maturity of 21 years. It means that after investing for 15 years, you will continue to receive interest on the amount you placed for the following 6 years.

Finally, the parent will be permitted to withdraw the maturity amount when 21 years have passed. And receive interest over the following six years on Rs. 2.93 lakhs. It will cost Rs. 4.65 lakh if the interest rate maintains at 8 p.a. throughout.

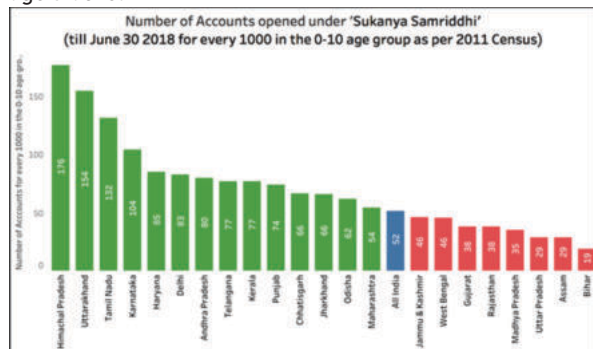
**1.39 billion accounts were opened as of June 30, 2018**

According to information provided by the government in the Lok Sabha, this program saw the opening of 1.39 crore (1,39,85,442) accounts as of June 30, 2018. Tamil Nadu (15.94 lakh) and Uttar Pradesh (15.08 lakh) had the most new accounts open. The only other two states where more than 10 lakh such accounts were established were Karnataka and Maharashtra. In eleven (11) states, more than five lakh such accounts were registered, while more than one lakh such accounts were opened in 22 states and UTs.



Source: National Savings Institute

According to the 2011 census, the following picture is seen when the population in the 0-10 age range is taken into account. For every 1000 children in the 0-10 age range, 52 accounts were opened as part of the scheme on a national level in India. More than 100 accounts were opened for every 1000 people in this age bracket in four (4) states. Among the states on this list are Himachal Pradesh, Uttarakhand, Tamil Nadu, and Karnataka. In all southern states, there are more accounts established per 1000 people in the 0-10 age range than the national average. There are fewer accounts established for per 1000 people in the 0-10 age range in states like Jammu & Kashmir, West Bengal, Gujarat, Rajasthan, Madhya Pradesh, Uttar Pradesh, Assam, and Bihar than the national average. Bihar is the least representative of the larger states, with only 19 such accounts for every 1000 people in this age bracket.

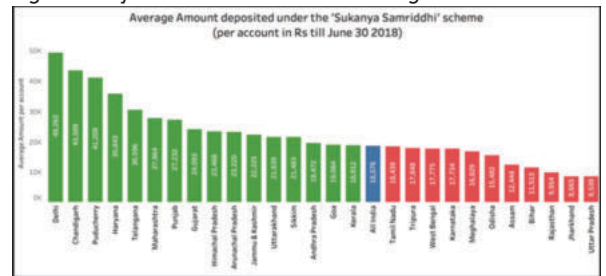


Source: National Savings Institute

**The plan received a deposit of Rs. 25979 crore.**

A total of Rs 25979 crore, or an average of Rs 18576 per account, was deposited under the plan at the All India level as of June 30, 2018. In Delhi, deposits were made in the highest average amount per account of Rs 49,263. In 16 States and UTs, the average amount per account was higher than the national

average. Despite the fact that the initiative opened more than a million accounts in states like Tamil Nadu and Karnataka, the average deposit amount in these states was lower than the national average. In Uttar Pradesh, the average was significantly lower than the national average.



Source: National Savings Institute

**Suggestions**

The most difficult task is raising the number of transactions in those accounts, which the government can simply persuade people to do. In the nation, there are six lakh villages. In every community, SSY accounts should be operable by micro banks. Banks ought to start accepting card-based payments that can be cashed anywhere in the nation. This could be a scratch-off sort of card or a simple card to card transfer. Bank transactions should be supported by the digital platforms being developed to promote financial inclusion. To achieve this, it is necessary to incorporate the various modules—savings, credit, insurance, etc.—into the technological framework in order to enable comprehensive inclusive initiatives in the rural areas.

**CONCLUSION**

Sukanya Samridhi Yojana is a very good and advantageous program that offers financial assistance by way of savings from participant accounts for the welfare (education, marriage expenditures) of girl children. This scheme's constraint that it also offers interest on deposits necessitates action to ensure consistency in interest rates year after year and the general viability of the program. By emphasizing the importance of female children and increasing their access to educational opportunities, this program also contributes to the economic development of the nation. As a result, the Government of India must continue these programs in order to pull up the underprivileged, neglected, unemployed, and other groups in society. To live up to the public's expectations surrounding such plans, they must execute the essential actions. SSY will undoubtedly be able to meet their financial needs in part or even entirely. To sum up, the scheme's intention is admirably good and would undoubtedly give the girl kid, as well as their parents and guardians, a great deal of financial independence. The strategy also provides the banks with a significant amount of capital. It is regarded as a good program that the government, which has a long-term outlook, launched with a commendable slogan.

**REFERENCES**

- Ganapathi R and Anbu Malar "investors attitudes towards post office deposit schemes" BVIMR Management Edge, Vol 3, No.2, Pp26-24.
- C.R.Kothari "Research Methodology", Vishwa Prakasham, New Delhi.
- Vinayagamoorthy A and Senthilkumar K "an analysis of postal investment and small savings" Banking Finance, Vol, XXV, No. 02 Pp 18-22.
- R. Selvakumar & Dr. P. Chellasamy (2019). Evolution of Sukanya Samridhi Yojana (SSY): National Scheme for Financial Inclusion in India, International Journal of Research in Engineering, IT and Social Sciences, Volume 09, Issue 5, Page 347-351
- Mr. Rameshwar P. Rasal (2016) A Study of Sukanya Samrudhi Yojana in the Post office of Thane District Resjournal ISSN 2321-1067 Volume 3 Issue 3 Page | 168.
- Paramjitsingh (2016) "role of financial services of India post in growing economy of india: a specific survey from 2012 to 2015". International Journal of Business and Administration Research Review, Vol. 2, Issue.12, Oct - Dec, 2015. Page 9
- Kshama B Vidhate, Ritesh Kundap (2016) "Awareness about Newly Launched Social Security Schemes among Rural Population in India", National Journal of Community Medicine Volume 7 Issue 12 Dec 2016.
- www.ssy.com
- https://www.india.gov.in/sukanya-samridhi-yojna