



Research Article

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Analysis of Sukanya Samriddhi Yojana: An Overview

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ABSTRACT

This research paper provides an overview of the Sukanya Samriddhi Yojana (SSY), a government-backed savings scheme aimed at promoting the welfare of the girl child in India. The paper discusses the scheme's key features, such as the eligibility criteria, deposit limits, interest rates, and tax benefits. The advantages of the SSY, including its ability to empower young girls and promote financial inclusion, are also examined. However, the paper also highlights some of the disadvantages of the SSY, including its inflexibility and limited scope for investment diversification. In addition, the paper discusses the achievements of the scheme in terms of the number of accounts opened and the amount of deposits made. The future growth and prospects of the SSY are also analyzed, with a focus on potential policy changes and improvements that could be made to further enhance the scheme's effectiveness in promoting the welfare of the girl child in India.

INTRODUCTION

Sukanya Samriddhi Account is a savings scheme launched by the Government of India under the "Beti Bachao Beti Padhao" campaign. It is aimed at promoting the welfare of the girl child and encouraging parents to save for their daughter's education and marriage.

Under this scheme, parents or legal guardians of a girl child below the age of 10 years can open a Sukanya Samriddhi Account at any authorized post office or bank. Only one account is allowed per girl child, and a maximum of two accounts are allowed for a family.

The account can be opened with a minimum deposit of Rs. 250 and a maximum of Rs. 1.5 lakhs in a financial year. The account can be operated until the girl child reaches the age of 21 years. The government fixes the interest rate for the scheme and is subject to change from time to time.

The scheme also offers tax benefits under Section 80C of the Income Tax Act, as deposits made in the account are eligible for tax deductions. Additionally, the interest

earned and the maturity amount are tax-free.

The funds deposited in the account can be used for the girl child's education and marriage expenses. Partial withdrawals of up to 50% of the balance can be made once the girl child attains the age of 18 years for higher education purposes.

OBJECTIVE

The paper aims to study the SUKANYA SAMRIDDHI SCHEME concept and its benefits. This plan is meant to give Indian girls a bright future. This programme is meant to help them get a good education and stress-free wedding costs.

METHODOLOGY

This study uses data from other sources. Information is gathered from different journals, websites, newspapers, magazines, and articles.

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REVIEW OF LITERATURE

Dhiraj Jain and Ruhika Kothari (2012) made a study with the objective of the level of awareness of various schemes of post office among the people. For this study, the required primary data have been collected from 100 sample investors through Interview Schedule. Such collected data have been analysed with various statistical tools like Percentage Analysis, Standard Deviation and Chi-Square test. They found that majority of the investors were aware only about Recurring Deposit.

Ritika Aggarwal (2012) examined the factors influencing preference towards post office savings schemes. This study was conducted to examine the factors that influence investors to invest in post office savings scheme. For this study, the required primary data have been collected from 320 sample investors through Interview Schedule. Such collected data have been analysed with various statistical tools like Percentage Analysis and Pearson's Chi-Square test. She found that majority of the investors prefer post office savings scheme because of safe, secure and risk – free investments. Mr. Rameshwar P. Rasal said that this scheme is good for girl children for their future.

This is one of the schemes with the highest rate of interest. V. Venkatachalam and Dr. G. Ravindran of Tamil Nadu said that this scheme is especially for Indian parents and guardians to plan for a girl's higher education or marriage needs so that her financial needs won't burden the family.

Features

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 one of highest interest providing small savings government scheme for Girl child

The Sukanya Samriddhi Account scheme has several features that make it an attractive savings option for parents or legal guardians of a girl child. Some of the key features of the scheme are:

- **Eligibility:** The scheme is open to parents or legal guardians of a girl child below the age of 10 years.
- **Account opening:** The account can be opened with a minimum deposit of Rs. 250 and a maximum of Rs. 1.5 lakhs in a financial year. Only one account is allowed per girl child, and a maximum of two accounts are allowed for a family.
- **Tenure:** The account matures after 21 years from the date of opening, or when the girl child gets married after attaining the age of 18 years.
- **Interest rate:** The interest rate for the scheme is fixed by the government and is subject to change from time to time. The current interest rate is 7.6% per annum, compounded annually.
- **Tax benefits:** The scheme offers tax benefits under

Section 80C of the Income Tax Act, where the deposits made in the account are eligible for tax deductions. Additionally, the interest earned and the maturity amount are tax-free.

- **Partial withdrawals:** Partial withdrawals of up to 50% of the balance can be made once the girl child attains the age of 18 years for higher education purposes.
- **Transferability:** The account can be transferred to any part of India if the girl child and her family relocate.

Objectives of Sukanya samriddhi Yojana

The Sukanya Samriddhi Account scheme's primary objective is to promote the girl child's welfare and encourage parents or legal guardians to save for their education and marriage. The scheme aims to achieve the following objectives

- **Empowerment of the girl child:** The scheme aims to empower the girl child by encouraging parents to save for their education and marriage expenses. It provides a platform for parents to financially secure their girl child's future and promote gender equality.
- **Financial Inclusion:** The scheme promotes financial inclusion by providing a savings option for families that may not have access to formal banking services.
- **Promote Education:** The scheme encourages parents to save for their girl child's education expenses. It aims to promote education among girls and reduce the dropout rate.
- **Tax Benefits:** The scheme offers tax benefits under Section 80C of the Income Tax Act, which encourages parents to invest in the scheme and save for their girl child's future.
- **Boost the economy:** The scheme helps to mobilize savings from households and channel them towards productive investments, which in turn helps to boost the economy.

Overall, the Sukanya Samriddhi Account scheme aims to promote the welfare of the girl child, encourage savings, and promote financial inclusion and education, which will ultimately help in building a better future for the nation.

Eligibility

- The guardian can open the account as soon as the girl is born and can do so until she turns 10 years old.
- only one account can be opened for Each girl child.
- An account under this scheme can be opened for up to two girl children in one family. (However, more than two accounts can be opened in a family if the children are born in the first or second order of birth, or both, on submission of an affidavit by the guardian supported with birth certificates of the twins/triplets regarding the birth of such multiple girl children in the first two orders of birth in a family.)
- For opening a SSY account, following documents are required
- Sukanya Samriddhi Account Opening Form

- Birth certificate for a girl child
- Proof of identity (according to RBI KYC guidelines)
- Proof of where you live (as per RBI KYC guidelines)

ADVANTAGES

There are several advantages of the Sukanya Samriddhi Account scheme, which makes it an attractive savings option for parents or legal guardians of a girl child. Some of the key advantages of the scheme are:

- **High interest rate:** The scheme offers an attractive interest rate of 7.6% per annum, which is higher than most other savings schemes.
- **Tax benefits:** The scheme offers tax benefits under Section 80C of the Income Tax Act, where the deposits made in the account are eligible for tax deductions. Additionally, the interest earned and the maturity amount are tax-free.
- **Financial security for the girl child:** The scheme provides a platform for parents to financially secure their girl child's future by saving for their education and marriage expenses.
- **Easy account opening process:** The account can be opened with a minimum deposit of Rs. 250, and the process of opening the account is simple and hassle-free.
- **Flexible deposit options:** The scheme allows deposits of up to Rs. 1.5 lakhs in a financial year, and the deposits can be made in multiple instalments.
- **Partial withdrawals:** The scheme allows partial withdrawals of up to 50% of the balance once the girl child attains the age of 18 years for higher education purposes.
- **Transferability:** The account can be transferred to any part of India if the girl child and her family relocate.

DISADVANTAGES

While the Sukanya Samriddhi Account scheme has several advantages, there are also some disadvantages that parents or legal guardians should be aware of before opting for the scheme. Some of the disadvantages of the scheme are:

- **Limited age eligibility:** The scheme is only open to girls below the age of 10, so parents of older girls cannot benefit from the scheme.
- **Long lock-in period:** The scheme has a long lock-in period of 21 years, which means that the funds deposited cannot be withdrawn before that period, except for partial withdrawals.
- **Limited usage:** The funds deposited in the account can only be used for the girl child's education and marriage expenses, which limits the usage of the funds.
- **Limited account openings:** Only one account is allowed per girl child, and a maximum of two accounts are allowed for a family, which means that parents with

- multiple girls cannot open multiple accounts for them.
- **Interest rate changes:** The interest rate for the scheme is subject to change from time to time, and the interest rate offered may be lower than expected in the future.

Achievements of the SSY

The pace of opening of accounts under SSA scheme is given hereunder

Table 1: The pace of SSY account opening

Year	No of Accounts	Deposit Amount(cr)
2015	4,20,420	123
2016	69,98,870	6,773
2017	1,00,84,152	17,156
2018	1,24,28,910	31,958
2019	1,55,34,417	50,224
2020	1,92,49,624	72,880
2021	2,32,67,968	1,01,258
2022	29374765	139296.06
2022 December	32512095	162153.68

Table 2: List of states with highest number of accounts as on 31st December 2022

States	No of accounts
Uttarpradesh	36,07,698
Tamilnadu	31,38,182
Maharashtra	28,75,136
Madhyapradesh	25,27,795
Karnataka	24,48,215

Table 3: List of States with Lowest number of accounts as on 31st December 2022

States	No of accounts
Lakshadweep	928
Ladakh	7559
Andaman and Nicobar Islands	11002
Mizoram	13195
Dadra and Nagar Haveli and Daman and Diu	17239
Sikkim	17852

Table 4: Interest rates revisions

Serial Number	Financial Year	Date Range	Interest Rate (%)	Minimum Investment	Maximum Investment
1	2014-15	1st April 2014 to 31st March 2015	9.1	1,000	1,50,000
2	2015-16	1st April 2015 to 31st March 2016	9.2	1,000	1,50,000
3	2016-17	1st April 2016 to 30th Sep 2016	8.6	1,000	1,50,000
4	2016-17	1st October 2016 to 31st March 2017	8.5	1,000	1,50,000
5	2017-18	1st April 2017 to 30th June 2017	8.4	1,000	1,50,000
6	2017-18	1st July 2017 to 31st December 2017	8.3	1,000	1,50,000
7	2017-18	1st January 2018 to 31st March 2018	8.1	1,000	1,50,000
8	2018-19	1st April 2018 to 30th September 2018	8.1	250	1,50,000
9	2018-19	1st October 2018 to 31st March 2019	8.5	250	1,50,000
10	2019-20	1st April 2019 to 30th June 2019	8.5	250	1,50,000
11	2019-20	1st July 2019 to 31st March 2020	8.4	250	1,50,000
12	2020-21	1st April 2020 to 31st March 2020	7.6	250	1,50,000
13	2021-22	1st April 2021 to 31st March 2022	7.6	250	1,50,000
14	2022-23	1st April 2022 to 31st March 2023	7.6	250	1,50,000
15	2023-24	1st April 2023 to June 2023	8	250	1,50,000

Future Growth Prospects

Sukanya Samriddhi Yojana (SSY) is a government-backed savings scheme to promote the girl child's welfare in India. Since its launch this scheme has been a popular investment option for parents looking to save for their daughter's future.

- **Increasing Awareness:** One of the primary reasons for the future success of the Sukanya Samriddhi scheme is increasing awareness. The government has been promoting the scheme aggressively, and more parents are becoming aware of its benefits. With a higher level of awareness, more parents are likely to invest in the scheme, which will lead to its growth.
- **Increasing Participation:** The number of accounts opened under the Sukanya Samriddhi scheme has been steadily increasing since its launch. As per the latest data available, over 3.2 crore accounts have been opened under the scheme with a total deposit of over Rs. 36,000 crores. With more parents participating in the scheme, its future prospects look promising.
- **Tax Benefits:** The Sukanya Samriddhi scheme offers tax benefits under Section 80C of the Income Tax Act. The interest earned and the maturity amount are also tax-free. This is a significant advantage for parents looking to save for their daughter's future while also reducing their tax liability.
- **Guaranteed Returns:** The Sukanya Samriddhi scheme offers a guaranteed return on investment, making it a safe and secure investment option. The current interest rate on the scheme is 8 % per annum for financial year 2023-24 for April- June quarter, which is higher than many other government-backed schemes.
- **Longer Tenure:** The Sukanya Samriddhi scheme has a tenure of 21 years, which is longer than most other savings schemes. This longer tenure allows parents to save for their daughter's long-term goals, such as education, marriage, and other expenses.

- **Expansion of Reach:** The government has been expanding the reach of the Sukanya Samriddhi scheme to include more financial institutions. This has made it easier for parents to open accounts and make deposits, which will lead to increased participation in the scheme.

CONCLUSION

- Sukanya Samriddhi Account is a great savings scheme for parents or legal guardians who wish to secure their girl child's future.
- It offers attractive interest rates, tax benefits, and flexibility in using the funds for the girl child's education and marriage expenses
- This scheme is a great savings option for parents or legal guardians of a girl child. It offers attractive interest rates, tax benefits, flexibility in using the funds for education and marriage expenses, and easy transferability.
- While this scheme has several advantages, it also has some disadvantages that parents or legal guardians should consider before opting for the scheme. The limited age eligibility, long lock-in period, limited usage, limited account openings, and interest rate changes are some of the drawbacks of the scheme.
- The future prospects for the Sukanya Samriddhi scheme in India are positive. With increasing awareness, participation, tax benefits, guaranteed returns, longer tenure, and expanding reach, the scheme is likely to see continued growth in the coming years. Parents looking to save for their daughter's future should consider investing in the Sukanya Samriddhi scheme as a safe and secure investment option.

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