

# Sukanya Samriddhi Yojana: A Closer Look

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## ABSTRACT

Savings are paramount in personal finance and economic stability serving as a cornerstone for financial security, goal achievement, and long-term prosperity. By cultivating a habit of saving, individuals can establish a safety net to navigate through emergencies, pursue aspirations such as home ownership or entrepreneurship, and secure a comfortable retirement. Moreover, savings enable individuals to reduce debt burdens, capitalize on investment opportunities, and counteract the erosive effects of inflation, thereby fostering financial independence and resilience. Additionally, accumulating savings empowers individuals to leave a legacy of generational wealth, ensuring the financial well-being of future generations. In essence, savings not only provide a buffer against unforeseen circumstances but also pave the way for realizing dreams, seizing opportunities, and building a brighter future. To promote the savings among the people, the government through banks and post offices offers various savings schemes including fixed deposits, recurring deposits, savings accounts, and government-backed schemes like Public Provident Fund (PPF), National Savings Certificate (NSC), and Kisan Vikas Patra (KVP). The Sukanya Samriddhi Yojana (SSY) stands out among various savings schemes due to its focus on securing the financial future of the girl child in India. The scheme allows parents or guardians to open an account for their girl child below the age of 10, offering a competitive interest rate and tax benefits. Contributions to the account can be made until the child reaches the age of 15, with partial withdrawals allowed for specific purposes such as education and marriage expenses. By keeping all these in mind, this research paper is an attempt to discuss about the features, benefits, eligibility and trend and growth of SSY in terms of Account opening and amount deposited. The trend and growth of SSY has been analysed for a period of 9 years from 2014-15 to 2022-23 by using Compound growth rate technique. The result revealed that there is a positive trend in SSY in terms of number of accounts opened and amount invested.

**KEYWORDS:** Savings, Financial Security, Sukanya Samriddhi Yojana, Personal Finance.

## 1.1 INTRODUCTION

The Sukanya Samriddhi Yojana (SSY) is a Government-backed savings scheme specifically designed for the girl child in India launched in 2015 under the 'Beti Bachao Beti Padhao' initiative. The scheme aims to encourage parents to save for their daughters' future education and marriage expenses. The SSY account can be opened for a girl child up to the age of 10 years and can be operated by her parents or

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legal guardian. SSY offers a high-interest rate, tax benefits, and flexible deposit options, making it an attractive investment choice for parents of girl children. The primary objectives of the scheme are to:

- Prevent gender-biased sex selection and promote the value of girls.
- Ensure the survival and protection of the girl child.
- Educate and empower girls.

## 1.2 FEATURES AND BENEFITS OF SUKANYA SAMRIDDHI YOJANA

The following are salient features of SSY scheme:

1. Account can be opened in the name of a girl child till she attains the age of 10 years.
2. Only one account can be opened in the name of a girl child.
3. Account can be opened in Post Offices and notified branches of Commercial Banks.
4. Birth certificate of a girl child in whose name the account is opened shall be submitted.
5. The account may be opened with a minimum initial deposit of two hundred and fifty rupees and in multiples of fifty rupees thereafter and subsequent deposits shall be in multiples of fifty rupees subject to the condition that a minimum of two hundred and fifty rupees shall be made as deposit in a financial year in one account.
6. The total amount deposited in an account shall not exceed Rs 1,50,000 in a financial year: (Provided that the deposit in excess of one lakh fifty thousand rupees in any financial year, if accepted due to any accounting error, shall not be eligible for any interest and be returned immediately to the depositor)
7. Account matures after completion of 21 years of the girl child and the balance in the SSY, including interest, is paid to the child on submitting an application and proof of identity, residence, and citizenship documents.

Premature closure is allowed only in the following situations:

- Reasons for intended marriage after a girl child attains the age of 18 years, an application can be submitted between one month prior to marriage and 3 months after marriage along with her age proof documents.
- Death of the girl child on the production of the death certificate, the balance in the SSY along with interest will be paid to the guardian.
- Medical treatment in case of life-threatening diseases of the girl child or death of the guardian.
- Deemed closure in case of a change in the status of girl child i.e., girl child either becomes a non-resident or a non-citizen of India. Such a status change should be communicated by the girl child or her guardian within one month of the status change.
- After completion of 5 years from the opening of an SSY, if the post office or bank is satisfied that the operation or the continuation of the SSY is causing undue hardship to the girl child (such as the death of the guardian, medical reasons of the girl child), the girl child or guardian may order for premature closure.
- For any other reasons, if the SSY is to be closed anytime after the opening of this account, it will be permitted, but the entire deposit would only earn an interest rate applicable to the post office savings bank.

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- Interest on balance [at rate notified by the government from time to time] will be calculated on yearly compounded basis and credited to the account.

The interest for the SSY account is calculated on the lowest balance for the calendar month, i.e. between the fifth day of the month and the end of the month. The interest will be credited once, at the end of each financial year. The formula to calculate the interest earned on an SSY account:

$$A = P(1+r/n)^{nt}$$

Here:

P = Initial Deposit

r = Rate of interest

n = Number of years the interest compounds

t = Number of years

A = Amount at maturity

**Table 1 : Interest Rate for SSY from 2014-2023**

PERIOD	RATE OF INTEREST (%)
03.12.2014 TO 31.03.2015	9.1
01.04.2015 TO 31.03.2016	9.2
01.04.2016 TO 30.09.2016	8.6
01.10.2016 TO 31.03.2017	8.5
01.04.2017 TO 30.06.2017	8.4
01.07.2017 TO 31.12.2017	8.3
01.01.2018 TO 30.09.2018	8.1
01.10.2018 TO 30.06.2019	8.5
01.07.2019 TO 31.03.2020	8.4
01.04.2020 TO 31.03.2023	7.6
01.04.2023 TO 30.06.2023	8.0

Source: <https://www.bankbazaar.com>

### 1.3 TREND AND GROWTH OF SUKANYA SAMRIDDHI YOJANA IN INDIA

In this paper, an attempt has been made to analyse the trend and growth of SSY in terms of number of accounts opened and Amount invested for a period from 2014-15 to 2022-2023. The trend and growth of SSY has been analysed by using Compound growth rate technique and the results of the analysis have been shown in the following tables. The Table 2 shows the result of compound growth rate for number of accounts opened and amount invested in SSY for the years from 2014-15 to 2022-23 in India.

**Table:2 Trend and Growth of Sukanya Samriddhi Yojana in India**

(Rs. in cr)

Year	No. of Accounts Opened	Change in %	Amount Invested in Rs.	Change in %
2014-15	420420	0	123.11	0
2015-16	6998870	1564.73	6773.29	5401.86

2016-17	10084152	44.08	17155.95	153.29
2017-18	12428910	23.25	31958.5	86.28
2018-19	15534417	24.99	50223.85	57.15
2019-20	19249624	23.92	72880.02	45.11
2020-21	23267968	20.87	101257.63	38.94
2021-22	29374765	26.25	139296.06	37.57
2022-23	35008208	19.18	175007.65	25.64
<b>Mean</b>		<b>16929703.78</b>		<b>66075.12</b>
<b>SD</b>		<b>10997220.93</b>		<b>61427.18</b>
<b>CGR</b>		<b>73.80%</b>		<b>147.80%</b>

Source: <https://www.nsiindia.gov.in>

The Table.2 infers that the number of accounts opened under SSY during the year 2014-15 was 420420 and it is increased at increasing rate to 6998870 in the year 2015-16. After that it is increasing at decreasing rate. It is also found from the above table that amount invested in SSY during the year 2014-15 is Rs.123.11 and it is increased increasingly to Rs.6773.29 in the year 2015-16. The Compound growth rate for number of Accounts opened and Amount invested is 73.80% and 147.80% and it shows that there is a positive trend. The following tables 3 and 4 give the details of Indian States with Lowest and Highest Number of Accounts under SSY Scheme as on 31.12.2023.

**Table: 3 States with Highest Number of Accounts Under SSY Scheme as on 31.12.2023**

S.No.	Name of the State	No.of Accounts
1	Uttar Pradesh	4,147,041
2	Tamil Nadu	3,524,694
3	Maharashtra	3,370,751
4	Karnataka	2,801,449
5	Madhya Pradesh	2,747,218

Source: <https://www.nsiindia.gov.in>

**Table: 4 States with Lowest Number of Accounts Under SSY Scheme as on 31.12.2023**

S.No.	Name of the State	No.of Accounts
1	Mizoram	17,944
2	Sikkim	20,704
3	Nagaland	22,049
4	Meghalaya	26,196
5	Arunachal Pradesh	30,562

Source: <https://www.nsiindia.gov.in>

#### 1.4 TREND AND GROWTH OF SUKANYA SAMRIDDHI YOJANA IN TAMIL NADU

In this paper, an attempt has been made to analyse the trend and growth of SSY in terms of number of accounts opened and Amount invested for a period from 2014-15 to 2022-2023. The trend and growth of SSY has been analysed by using Compound growth rate technique and the results of the analysis have

been shown in the following tables. The Table 5 shows the result of compound growth rate for number of accounts opened and amount invested in SSY for the years from 2014-15 to 2022-23 in Tamil Nadu.

**Table:5 Trend and Growth of Sukanya Samriddhi Yojana in Tamil Nadu**

(Rs. in cr)

Year	No. of Accounts Opened	Change in %	Amount Invested in Rs.	Change in %
2014-15	160840	0	32.18	0
2015-16	1180020	633.66	1010.86	3041.63
2016-17	1373438	16.39	2153.03	112.99
2017-18	1511814	10.08	3712.00	72.41
2018-19	1783873	18.00	5527.3	48.90
2019-20	2076221	16.39	7805.05	41.21
2020-21	2406854	15.92	10657.79	36.55
2021-22	2850818	18.45	14329.36	34.45
2022-23	3319452	16.44	17738.76	23.79
<b>Mean</b>		<b>721649.01</b>		<b>5010.21</b>
<b>SD</b>		<b>946715.18</b>		<b>6164.02</b>
<b>CGR</b>		<b>45.99%</b>		<b>120.12%</b>

Source: <https://www.nsiindia.gov.in>

From the Table.5, it is inferred that the number of accounts opened and amount invested in SSY during the year 2014-15 is 160840 and 32.18 and it is increased to 3319452 and 17738.76 crores in 2022-23. The Compound growth rate for number of Accounts opened and Amount invested is 45.99% and 120.12% and it shows that there is a positive trend.

### 1.5 CONCLUSION

The Sukanya Samriddhi Yojana (SSY) has witnessed a significant growth and popularity since its inception to promote financial security and empowerment for the girl child in India. Over the years, the scheme has gained momentum due to its attractive features, including competitive interest rates, tax benefits, and the focus on long-term savings for future expenses like education and marriage. The trend of SSY reflects a steady increase in the number of accounts opened and deposits made, indicating growing awareness and participation among parents and guardians. The scheme's structured approach, with a maximum tenure of 21 years, encourages disciplined savings and ensures the accumulation of substantial funds over time. Furthermore, the flexibility provided for partial withdrawals for specific purposes after the girl child attains 18 years of age adds to its appeal. As SSY continues to gain traction, its impact on promoting gender equality, addressing financial disparities, and securing the future aspirations of girl children remains profound. The sustained growth and positive trajectory of SSY reflect its significance as a catalyst for financial inclusion, empowerment, and social development in India. At present, the SSY Scheme has the highest rate of interest among all the Small Savings Schemes i.e. 8.2 per cent. Since inception of the scheme, around 3.50 crore number of accounts have been opened under the scheme, having nearly Rs.1.75 lakh crore deposit.

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