

**31– 12 – 2022**

**News:** Most small savings plans to yield more in new quarter; PPF, Sukanya rates static

- The Union government recently raised the interest rates on eight of the 12 small savings schemes by 20 to 110 basis points for the January–March quarter of 2023, but left the returns on the popular Public Provident Fund (PPF) unchanged at 7.1% for the 11<sup>th</sup> quarter in a row. (100 basis points (bps) equal one percentage point).
- Sukanya Samridhi Account scheme's return was also retained at 7.6%, prevailing since April 2020 when small savings scheme rates were cut across the board.
- The returns on Kisan Vikas Patra (KVP) and the National Savings Certificate were raised by just 20 bps each, to 7.2% and 7%, respectively.

## **Sukanya Samridhi Scheme**

- Sukanya Samridhi Scheme is launched by Ministry of Women and Child Development under Beti Bachao, Beti Padhao campaign.
- SSS requires opening open account per one girl child up to a maximum of 2 children. However a third account can be opened, provided that the first/ second delivery ends up in giving birth to twins/ triplets.

- Deposits of range: 250 – 1, 50,000 can be made in to the account in a financial year.
- Deposits can be made up to 14 years and the account can be closed only on when the account holder reaches the age of 21. However, if it still remains active, interest can be earned on the deposits.
- Birth certificate is to be produced at the time of opening the account.
- Income tax is deductible on the deposits.
- It offers an annual interest rate of 7.6 %( from January 2023).
- Up to 50% of the amount can be withdrawn for educational purposes when the girl attains 18 years of age.
- Money can be transferred from one authorized bank account to another or Post office or vice versa.

## **Kisan Vikas Patra (KVP)**

- Kisan Vikas Patra (KVP) is a saving certificate scheme which was first launched in 1988 by India Post wherein invested money doubled during the maturity period.
- It was discontinued in 2011 and later reintroduced in 2014.
- It is considered a part of the National Small Savings Fund.
- The amount (Principal) invested in KVP would get doubled in 112 months (9 years and 3 months).

- The rate of interest is **7.2% from 1<sup>st</sup> January 2023**.
- KVP certificates are available in the **denominations of Rs 1000, Rs 5000, Rs 10000 and Rs 50000**.
- The **minimum amount that can be invested is Rs 1000**. However, there is **no upper limit** on the purchase of KVPs.

### **Refund conditions**

- **KVP does not offer any income tax benefits** to the investor.
- The amount of KVP can be withdrawn after 118 months (9 years and 10 months).
- The maturity period of a KVP is 2 years 6 months (30 months).
- **Premature encashment of the KVP certificate is not permissible**. The certificates can only be **encashed in event of the death of the holder or forfeiture by a pledge or on the order of the courts**.

**News:** India, Saudi Arabia discuss treaty on mutual assistance for criminal investigations

- **India and Saudi Arabia are in talks to sign a Mutual Legal Assistance Treaty (MLAT) to obtain formal assistance from each other in investigations related to criminal cases**.

- Saudi Arabia is only among a dozen other countries that does not have either an MLAT or any other bilateral agreement with India to facilitate such investigations.
- India has so far signed MLATs with 45 countries, and is also in talks to finalise MLATs with Italy and Germany.
- According to the Union Home Ministry, an MLAT is “a mechanism whereby countries cooperate with one another in order to provide and obtain formal assistance in prevention, suppression, investigation and prosecution of crime to ensure that the criminals do not escape or sabotage the due process of law for want of evidence available in different countries”.
- According to the Home Ministry, in countries which are not covered by any bilateral agreement or international convention, the summons, notices and judicial processes are served on the basis of an “assurance of reciprocity”.