

F.No. 1/04/2016-NS.II
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

North Block, New Delhi
Dated: 23rd March, 2016

OFFICE MEMORANDUM

Subject: Revision of interest rates for Small Savings Schemes- discontinuation of physical pre-printed NSC and KVP certificates – regarding.

The undersigned is directed to refer to this Department's OM of even number dated 16th February, 2016, vide which the various decisions taken by the Government regarding interest fixation for Small Savings Schemes were communicated to all concerned. Accordingly, the interest rates of the Small Savings Schemes applicable for the first quarter of the Financial Year 2016-17 were communicated on 18.03.2016. The copy of same is enclosed.

2. Quarterly re-fixation of interest rates with respect to NSC and KVP certificate Scheme makes it imperative that the Quarter and the year be reflected in the certificate serial numbers, so as to enable encashment of the same across the country in the CBS era. The logistics of circulating physical pre-printed certificates would be challenging on a quarterly basis and the possibility of wrong entries in re-using pre-printed certificates is high. Hence, it is best that our Certificate Schemes transit into the electronic era at the earliest. The Ministry of Finance is taking suitable steps in this direction. In the interregnum, the “electronic-Certificate mode” or the “physical certificate recorded in a passbook” need to be used.

3. I am directed to state that consequent to the recalibration of the interest rates of national savings schemes on a quarterly basis w.e.f. 1.4.2016, **the currently existing system of physical pre-printed certificates for KVP and NSC shall stand discontinued w.e.f. 1.4.2016 and shall be replaced by ‘National Savings Certificate/Kisan Vikas Patra Certificate on electronic – mode (e-mode). Till the CBS system transits to that e-mode, banks and post offices may choose to issue a physical certificate recorded on a passbook.**

4. The serial numbers based on the new pattern allotted to the banks and the Department of Posts (DoP) with respect to KVP are given in Annex I. List of Banks operating the KVP scheme are given at Annex V. The NSC serial numbers based on new pattern allotted to the Department of Posts are given in Annex II.

5. From 1.4.2016, KVP Certificates and NSCs can be issued for any amount above Rs. 1000 for KVP and Rs.100 for NSC in one transaction, provided the certificate is issued for an amount rounded off to the nearest 1000 for KVP and nearest 100 for NSC. One transaction of one (set of) investor(s) should result in only one certificate in e-mode or one entry in the passbook on one day. So issue of certificate need not be dependent on the availability of pre-printed certificate of the appropriate denomination.

6. The instructions in this regard are divided into two categories, viz., A. Instructions for those offices on CBS platform and B. Instructions for non-CBS offices, and these are given the following paragraphs.

A. Instructions for those offices on CBS platform (paras 7-14)

7. All banks and those post offices on CBS platform may shift to the electronic KVP Certificate mode, w.e.f. 1.4.2016. The same instructions are applicable to those post offices on CBS platform with regard to NSC. The necessary software templates and arrangements may be put in place so as to implement these instructions and the contents of the annexes to this OM. The aim should be 'bare essential data-entry requirement' at the time of issue of the Certificates of KVP and NSC to the investor.

8. The KVP Certificate in e-mode shall depict the details as given in Annex III and the NSC in e-mode shall depict the details given in Annex IV. The electronic Certificate, in this regard, shall be electronically conveyed to the customer without fail, according to the CBS security protocols, designed in each CBS system. It may be also conveyed on mobile.

9. With regard to CBS Post Offices (POs) and Banks, an electronic account of KVPs and with regard to CBS Pos, an electronic account of NSCs shall be maintained such that it is always accessible on-line to only the investor concerned through electronically secure protocols in a non-printable mode. Print-out shall be obtainable by applying and physical collecting the same from the bank branch / Post Office concerned.

10. At the time of issue of such 'KVP Certificate/NSC' on e-mode initially to the first investor, the printout of the details to be printed at Annex III/IV, as the case may be, may be provided to the customer, only on demand by customers, in case of banks and POs on CBS. Whenever the printout of the certificate in e-mode is demanded, the printout shall be physically signed by the issuing authority in blue ink. A photocopy of this shall be kept physically and/or electronically after scanning for cross-verifying the same at the time of transfer/encashment. A record may be kept in the electronic database / manual ledger regarding the issue of such a printout.

11. At the time of transfer of the KVP/NSC from one person to another, apart from the electronic database entries/physical office ledger entries as the case may be, the initial physical print out of receipt of deposit, if it had been issued, shall be obtained compulsorily by the issuing office and be endorsed and issued in the name of the new owner, manually. This endorsement shall be physically signed by the issuing authority in blue ink. A photocopy of this shall be kept physically and/or electronically for cross-verifying the same at the time of further transfer/ encashment.

12. In case of loss of the print-out of the certificate on e-mode from the investor, the currently existing procedure for the loss of physical pre-printed certificates may be followed.

13. The electronic KVP Certificate/National Savings Certificate in the name of the investors who transferred the KVP/NSC, in the electronic account/database of the Bank/Pos, should be removed from access of the investor who transferred it, once the transfer is effected.

14. However, DoP or banks can choose to follow the Non-CBS passbook mode described in para 16, instead of the 'KVP Certificate/National Savings Certificate e-mode described above, till the institution is ready to shift to the "KVP Certificate/National Savings Certificate e-mode".

B. Instructions for non-CBS offices (paras 15-16)

15. With regard to non-CBS POs, a certificate recorded on a physical passbook may be issued to the new investor whenever a KVP/NSC is issued or comes in for transfer from the

original depositor to a new person(s). The details in Annex III and Annex IV, as is relevant, may be manually recorded on the passbook. All non-CBS POs are also required to maintain an electronic KVP/NSC accounts with regard to all KVP/NSCs sold, with the time-lag ideally of one-working day and in no case not more than 5 working days, with the head office to which it is linked and which has the CBS facility.

16. The head offices to which such non-CBS POs are linked and which have the CBS facility, should have mechanism of allotting serial numbers of KVP/NSC for all the non-CBS POs linked to them on a suitable periodic (ideally daily) basis. The follow-up on sale of NSC/KVP with non-CBS POs shall be ideally on a daily basis, and in no case later than weekly basis.

General instructions

17. Necessary notifications on interest rates will be notified separately in this regard and will be uploaded in the website finmin.nic.in shortly. The GSR numbers for Annex III and IV will be available there once the notifications are uploaded.

18. This system shall remain in place till the KVP/NSC system is completely dematted or brought on e-mode by other means by the Ministry of Finance. Till then, pledging of the KVP/NSC issued after 1.04.16 shall be done only at the office/branch where they were issued in both banks/DoP. However transfer of KVP/NSC shall continue according to existing rules. So the transfer of certificate to the appropriate office, should be preceded creating lien, if lien (pledging) is created in a bank / Post Office, other than where the certificate was issued.

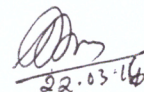
19. The Bank Central offices and DoP shall monitor the number of KVPs/NSCs issued in this way w.e.f 1.4.2016 and report to pankaj.awasthi@nic.in on a bi-monthly basis starting from 15.04.16.

20. Any clarifications on these instructions may be obtained from sigy.vaidhyan@nic.in, anil.jha@nic.in and pankaj.awasthi@nic.in. The phone number for contact shall be 011-23095081 and +919871899741 (Anil Jha, Under Secretary, NS Section).

21. All banks and the Department of Posts are requested to return all physical pre-printed KVP/NSC certificates at the close of business on 31.3.2016 to the ISP, Nasik.

22. It may be finally noted again that **no physically pre-printed KVP and NSC certificates may be issued on or after 1.4.16 by banks or Post Offices.**

23. The amount realized on the premature closure of Recurring Deposit is placed at Annex VI.



(Sigy Thomas Vaidhyan)
Deputy Secretary (Budget)
Tele: 01123092649

To

1. The Secretary,
Department of Expenditure
North Block
New Delhi.

2. The Secretary,
Department of Revenue
North Block
New Delhi.

3.The Secretary,
Department of Posts
Dak Bhawan
New Delhi.

4.The Secretary,
Department of Financial -
Services
Jeevandeep Building
Parliament Street, New Delhi.

5.The Director,
National Savings Institute
Nagpur.

6.Chief General Manager
Department of Govt. & Bank
Accounts
Central Office
Mumbai.

7.Reserve Bank of India
Central Accounts Section
Additional Office Section
East High Court Road
Nagpur-440001.

8. Chief Secretaries of
States/UT Governments.

Annex I: New serial numbering of Kisan Vikas Patra (KVP-2015)

The serial number shall not have spacing or hyphens anywhere and shall have brackets as indicated below

In case of Bank:

KVP2016Q1(IFSC Code)(Registration no. at sl no. 2 at Annex III)

In case of Department of Posts (DoP):

KVP2016Q1(DoP)(PIN Code)(Registration no. at sl. No.2 at Annex III)

The description of each parameter is as below: (This also covers how serial numbers in the new pattern can be generated from the data entered in the CBS system)

KVP: acronym of Kisan Vikas Patra, will not change ever, to be autogenerated by the system

2016: Year in YYYY format, will change every year, to be autogenerated by system from entry at sl. No.4 in Annex III

Q1: acronym of Quarter 1 in format Q1/ 2/ 3/ 4 to be autogenerated by system from entry at sl. No.4 in Annex III

For Banks

(IFSC Code): acronym for Indian Financial System Code, in the 11 digit alphanumeric format without hyphens (eg:SBIN0004187 that is used to identify the particular (Madhapur, Hyderabad) branch of a participating bank, (SBI) in either of the popular electronic funds settlement options in India, RTGS and NEFT). will not change ever, to be autogenerated by the CBS system with brackets

For Department of Posts (DoP):

(DoP): acronym of Department of Posts, will not change ever, to be autogenerated by the CBS system with brackets.

(PIN Code): acronym of Postal Index Number, in the 6 digit format of Post Office numbering used by India Post to be autogenerated by the CBS system with brackets.

(Registration no. at sl. No.2 at Annex III):

will change with issue of each certificate, to be autogenerated by the CBS system with brackets, from entry at sl. No.2 at Annex III, exactly in the same format as that entry, but shall not have spacing or hyphens anywhere.

Till the CBS system is suitably designed, the serial numbers in the pattern given above, shall be manually made and noted on the Certificates recorded on the passbook and the manually maintained ledgers.

Annex II: New serial numbering of National Savings Certificates (NSC VIII)

The serial number shall not have spacing or hyphens anywhere and shall have brackets as indicated below

In case of Department of Posts (DoP):

5NS2016Q1(DoP)(PIN Code)(Registration no. at sl. No.2 at Annex IV)

The description of each parameter is as below: (This also covers how serial numbers in the new pattern can be generated from the data entered in the CBS system)

5: tenure of NSC, will not change ever, to be autogenerated by the system

NS: acronym of National Savings Certificates, will not change ever, to be autogenerated by the system

2016: Year in YYYY format, will change every year, to be autogenerated by system from entry at sl. No.4 in Annex IV

Q1: acronym of Quarter 1 in format Q1/ 2/ 3/ 4 to be autogenerated by system from entry at sl. No.4 in Annex IV

(DoP): acronym of Department of Posts, will not change ever, to be autogenerated by the CBS system with brackets.

(PIN Code): acronym of Postal Index Number, in the 6 digit format of Post Office numbering used by India Post, to be autogenerated by the CBS system with one-sided bracket at the end.

(Registration no. at sl. No.2 at Annex IV):

will change with issue of each certificate, to be autogenerated by the CBS system with brackets, from entry at sl. No.2 at Annex IV, exactly in the same format as that entry, but shall not have spacing or hyphens anywhere.

Till the CBS system is suitably designed, the serial numbers in the pattern given above, shall be manually made and noted on the Certificates recorded on the passbook and the manually maintained ledgers.

Annex III: Details on Receipt Kisan Vikas Patra Certificate (e-mode and also on Certificate recorded on passbook)

Kisan Vikas Patra Certificate

Sl.
No.

- 1 KVP Serial Number : (Refer Annex I)
- 2 Registration number :
- 3 Amount invested (in Rs.) :
- 4 Date of investment : DD/MM/YYYY
- 5 Quarter : Q1/2/3/4

6		Address with IFSC/ PIN code	Signature of bank / PO official	
a.	Office/Branch in which invested			Date of transfer
b.	Office/Branch of transfer			
c.*	Office/Branch of transfer			

* more rows may be included if more transfer are effected.

- 7 The Government of India, in accordance with GSR no. _____
dated _____ agrees to pay to the person(s) in whose name(s) this
investment stands on the relevant date,
 - a the Full maturity value of (in Rs.) ₹ _____
 - b On or after the date of full maturity (i.e., 110 months from investment) i.e.,
(date)

		For period	maturity value if Rs. 1000 is invested	Amount (to be filled only at the time of encashment, if the need arises)
c	And Maturity value on pre-mature closure at the following rates			
		2 and half years but less than 3 years	1180	
		3 years but less than 3 and a half years	1220	
		3 and half years but less than 4 years	1261	

		4 years but less than 4 and half years	1303	
		4 and half years but less than 5 years	1347	
		5 years but less than 5 and half years	1392	
		5 and half years but less than 6years	1439	
		6 years but less than 6 and half years	1487	
		6 and half years but less than 7 years	1537	
		7 years but less than 7 and half years	1589	
		7 and half years but less than 8 years	1643	
		8 years but less than 8 and half years	1698	
		8 and half years but less than 9 years	1755	
		9 years but before the maturity of certificate	1814	
		On maturity of certificate	2000	
8 I	(only the details needed and legally mandated are to be collected)	Investor 1	Investor 2	Guardian in case investor is minor
a	Name			

b	Father's/Mother's name			
c	Address			
d	Proof of Address			
e	CIF Number			
f	Aadhaar Number			
g	PAN Number			
h	Account number with IFSC code into which encashed amount on closure may be transferred			
i	Signature			
j	Details of lien created and period of lien			
k	Account number with IFSC code into which maturity amount may be credited during the period of lien in case of lien created			
l	Name and address (if relevant, and account number with IFSC code), of nominee:			
m	Date of Transfer (may not be effected if there is an entry at 8(j) and is within period of time)			
8 II	Entire 8I details are to be collected and recorded with respect of the transferees if there is an entry in 8I (m)			
8 III	Process of 8II may be continued till relevant by serialising as 8III, 8 IV...			
9	Date of encashment			DD/MM/YYYY
10	Receipt	Investor 1	Investor 2	Guardian in case investor is minor
a	Received a sum of Rs. _____			
b	Name(s)			
c	Signature			

11 Name and signature of the official discharging the investment

Annex IV: Details on National Savings Certificate (e-mode and also on certificate recorded on passbook)

National Savings Certificate

Sl.
No.

- 1 NSC Serial Number : (Refer Annex II)
 2 Registration number :
 3 Amount invested (in Rs.) :
 4 Date of investment : DD/MM/YYYY
 5 Quarter : Q1/2/3/4

6		Address with IFSC/ PIN code	Signature of bank/PO official	
a.	Office/Branch in which invested			Date of transfer
b.	Office/Branch of transfer			
c.*	Office/Branch of transfer			

*transfer may be effected according to rules.

- 7 The Government of India, in accordance with GSR no. _____ dated _____ agrees to pay to the person(s) in whose name(s) this investment stands on the relevant date,

a the Full maturity value of (in Rs.) ₹ _____

b On or after the date of full maturity (i.e., 60 months from investment) i.e., (date)

		For period	maturity value if Rs. 100 is invested	Total amount (to be filled only at the time of encashment, if the need arises)
c	And Maturity value on pre-mature closure at the following rates			
		3 years or more but less than 3 years and 6 months	122.85	
		3 years and 6 months or more but less than 4 years	127.13	
		4 years or more but less than 4 years and 6 months	131.57	

		4 years and 6 months or more but less than five years	136.16	
8 I	(only the details needed and legally mandated are to be collected)	Investor 1	Investor 2	Guardian in case investor is minor
a	Name			
b	Father's/Mother's name			
c	Address			
d	Proof of Address			
e	CIF Number			
f	Aadhaar Number			
g	PAN Number			
h	Account number with IFSC code into which encashed amount on closure may be transferred			
i	Signature			
j	Details of lien created and period of lien			
k	Account number with IFSC code into which maturity amount may be credited during the period of lien in case of lien created			
l	Name and address (if relevant, and account number with IFSC code), of nominee:			
m	Date of Transfer (may not be effected if there is an entry at 8(j) and is within period of time)			
8 II	Entire 8I details are to be collected and recorded with respect of the transferees if there is an entry in 8I (m)			
8 III	Process of 8II may be continued till relevant by serialising as 8III, 8 IV...			
9	Date of encashment			DD/MM/YYYY
10	Receipt	Investor 1	Investor 2	Guardian in case investor is minor
a	Received a sum of Rs. _____			
b	Name(s)			
c	Signature			

11 Name and signature of the official discharging the investment

Annex V: Banks operating the KVP Scheme

The name of banks operating the KVP Scheme, are given below:

1. Andhra Bank
2. AXIS Bank (UTI Bank)
3. Bank of Baroda
4. Bank of India
5. Canara Bank
6. Central Bank of India
7. Corporation Bank
8. Dena Bank
9. HDFC Bank
10. ICICI Bank
11. IDBI Bank Ltd.
12. Indian Bank
13. Indian Overseas Bank
14. Punjab National Bank
15. State Bank of India
16. State Bank of Bikaner and Jaipur
17. State Bank of Indore
18. State Bank of Mysore
19. State Bank of Patiala
20. State Bank of Saurashtra
21. State Bank of Travancore
22. Syndicate Bank
23. UCO Bank
24. Union Bank of India
25. Vijaya Bank

Annex VI: Maturity value of Recurring Deposit on closure.

Month	Monthly payment	Maturity value of R.D., if closed prematurely
1	10	10.06
2	10	20.18
3	10	30.37
4	10	40.62
5	10	50.93
6	10	61.30
7	10	71.74
8	10	82.24
9	10	92.80
10	10	103.43
11	10	114.13
12	10	124.89
13	10	135.72
14	10	146.61
15	10	157.57
16	10	168.60
17	10	179.69
18	10	190.85
19	10	202.08
20	10	213.38
21	10	224.75
22	10	236.19
23	10	247.70
24	10	259.28
25	10	270.93
26	10	282.65
27	10	294.45
28	10	306.31
29	10	318.25
30	10	330.26
31	10	342.35
32	10	354.51
33	10	366.74
34	10	379.05
35	10	391.44
36	10	403.90
37	10	416.43
38	10	429.05

39	10	441.74
40	10	454.51
41	10	467.35
42	10	480.28
43	10	493.28
44	10	506.37
45	10	519.53
46	10	532.78
47	10	546.11
48	10	559.51
49	10	573.00
50	10	586.58
51	10	600.23
52	10	613.97
53	10	627.80
54	10	641.71
55	10	655.70
56	10	669.78
57	10	683.95
58	10	698.20
59	10	712.54
60	10	726.97