

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

North Block, New Delhi
Dated: 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.

