

CDNS certificate rates to remain unchanged

ISLAMABAD: Directorate of National Savings (CDNS) has decided not to change the rates of different Certificates for September, 2019 to promote the culture of savings in the country.

CDNS has already increased rates on various savings certificates aimed at persuading the customers to invest with CDNS, senior official of CDNS told APP here on Friday.

“In previous board meeting the CDNS notified the upward revision in the profit rates for various saving certificates with effect from July 1st (2019), encouraging people to invest in various schemes of the directorate,” he said.

The official was of the view that the upward revision of these certificates would generate more revenues that could be utilized as budgetary support by the government to overcome budget deficit problems.

He informed that the new rate for Defense Savings Certificate has been increased from 12.47 percent to 13.01 percent while the rate of Special Saving Certificate from 11.57 to 12.90, Regular Income Certificate from 12 percent to 12.96 percent.

Likewise, the rates of Savings Accounts have been increased from 8.5 percent to 10.25 percent while the rates of Bahbood Savings Certificates and Pensioners’ Benefit Account were increased from 14.28 percent to 14.76 percent.

He informed that the government had also increased the short-term (3 months), medium-term (6 months) and long-term (12 months) certificates to attract more people towards savings and investments with CDNS.

He said that the new rates for short-term certificates have been increased from 9.8 percent to 12.08 percent, medium-term from 9.88 percent to 12.18 percent while the rate of long-term certificate has been enhanced from 9.98 percent to 12.28 percent.

He said that due to the rationalization of CDNS certificates’ rates, the directorate had collected more savings than expected; therefore CDNS revised its target upward from Rs 224 to 324 billion for FY 2018-19.

Replying to a question, he said the investors have withdrawn Rs65 billion out of total stock of Rs259 billion investments from CDNS after the federal government decision to discontinue the Rs40,000 prize bonds.

The National Savings aspect after the government decision may the investment the prize would as low to Rs40 billion by end of the current month of August, he added.

He informed now remaining the Rs40,000 prize bonds offered by the CDNS was Rs194 billion, which aspect to decrease more in coming months after people withdraw their investments from banks.

The government has freeze the prize bond of Rs40,000 in previous months, when the State Bank of Pakistan (SBP) has issued circular and directed to all commercial banks to stop selling Rs40, 000 prize bonds from June 24 onwards.

According to the notification the SBP directed that national Prize Bonds of Rs40,000 denominations shall not be sold after June 24, and will not be encashed or redeemed after March 31, 2020.

Replying to question, he said the CDNS has achieved a net target of Rs22 billion by August 20, of current fiscal years 2019-20.

The CDNS has set Rs350 billion annual net targets for the year 2019-20 as compared to Rs324 billion for the previous year's 2018-19 to enhance savings and promoting saving culture in the country, the official said.

The Directorate has also revised and increased the gross target of Rs1570 billion for fiscal year 2019-20, he said.

Replying to a question, he said that CDNS had collected Rs410 billion by June 30, 2019 exceeding the target of Rs324 billion set for the year while during the preceding year of 2017-18, CDNS collected Rs155 billion.

The total savings held by the CDNS stood at Rs1,150 billion by June 30, while the directorate had Rs 774 billion savings by the same date, a year ago, he said.—APP