

Public Provident Fund (PPF)

- ❖ Public Provident Scheme 1968 is introduced in our Bank w.e.f. 1984. The scheme is now known as Public Provident Fund (Amendment) Scheme, 2011.
- ❖ PPF account can open by individual. The account on behalf of a minor can be opened by either father or mother. Both the parents cannot open a separate account for the same minor.
- ❖ Account cannot be opened in joint names
- ❖ Account cannot be transferred from one person to another
- ❖ Non-Resident Indians are not eligible to open the account under the Scheme w.e.f. 25.07.2003.
- ❖ The tenure of scheme is 15 years. After maturity of an account, it can be extended for one or more further blocks of 5 years without any loss of benefit.
- ❖ **Interest Rate:**
At present it is 8.00% P.A. w.e.f. 01.10.2016 to 31.12.2016
- ❖ **Frequency of computing interest:**
Interest is credited on 31st March every year

Tax aspects:

- ❖ The interest is totally exempt from Income Tax. The amount standing to the credit of the Subscriber in the Fund is totally exempt from Wealth Tax.
- ❖ Subscription in a Financial Year should not be less than Rs.100/- and not more than Rs.1,50,000/-. The number of subscriptions should not exceed 12 in a year. It can be deposited in lump sum also.