

What is Public Provident Fund (PPF) Scheme?

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About Public Provident Fund (PPF) Scheme:

- The PPF Scheme is a very popular **long-term savings scheme** in India because of its **combination of tax savings, returns, and safety**.
- The PPF was **first offered** to the public **in the year 1968** by the **Finance Ministry's National Savings Institute**.
- **Objective:** To help **individuals make small savings and provide returns** on the savings.
- It is one of the **safest investment products**. i.e., the **government of India guarantees** your investments in the fund
- **Tenure: 15 years** (Can be renewed in blocks of 5 years).
- **Interest rate:** Interest rates currently payable on such accounts **stand at 7.1%**.
- **Investment Amount: Minimum Rs.500, Maximum Rs.1.5 lakh p.a.**
- **Who is eligible for a PPF account?** **Any Indian citizen** can open a PPF account.
- The PPF accounts **cannot be held jointly**, though you can **make a nomination**.
- **Investment** in PPF is **tax-exempt under section 80C of the Income Tax Act (ITA)**, and the **returns from PPF are also not taxable**.

What is Sukanya Samriddhi Yojana?

- It was **launched on 22 January 2015**.
 - **Aim: Betterment of the girl child in the country** by abolishing sex determination, gender discrimination, protection of girls, and higher participation of girls in education and other fields.
 - **Features of Sukanya Samriddhi Account:**
 - **Minimum deposit ₹ 250/- Maximum deposit ₹ 1.5 Lakh** in a financial year.
 - Account can be opened **in the name of a girl child** till she **attains the age of 10 years**.
 - **Only one account can be opened** in the name of a girl child.
 - The account can be **opened in Post offices and in authorised banks**.
 - **Withdrawal shall be allowed for the purpose of higher education** of the Account holder **to meet education expenses**.
 - The account **can be prematurely closed in case of marriage of girl child** after her **attaining the age of 18 years**.
 - The account **can be transferred anywhere in India** from one Post office/Bank to another.
 - The account shall **mature on completion of a period of 21 years** from the date of opening of the account.
 - **Deposit qualifies for deduction under Sec.80-C of I.T.Act.**
 - **Interest earned** in the account **is free from Income Tax** under Section -10 of I.T.Act.
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Q1) What is the National Savings Institute?

National Savings Institute works under Department of Economic Affairs, Ministry of Finance, Government of India. The Institute is entrusted with the task of mobilization of savings in National Savings Schemes of Government of India, operated through Post Offices and designated Banks throughout the country.

Source: [PPF, Sukanya Samriddhi Account interest rate hike may remain elusive](#)

Source: <https://vajiramandravi.com/current-affairs/what-is-public-provident-fund-ppf-scheme/>

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