



Public Provident Fund (PPF)

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Public Provident Fund (PPF) is a government of India savings and investment scheme. It is a long-term investment scheme popular among individuals who want to earn high but stable returns.

Features

- Investment Limits : A minimum of Rs .500 and a maximum of Rs.1,50,000 per financial year may be deposited.
- Duration is 15 years. Thereafter, on application by the subscriber, it can be extended for 1 or more blocks of 5 years each.
- The rate of interest is determined by Central Govt. on quarterly basis. To know the present interest rate, [click here](#) .
- At any time after the expiry of 1 year from the end of the year in which the initial subscription was made but before expiry of 5 years from the end of the year in which the initial subscription was made, the account holder may, apply for obtaining a loan consisting of a sum not exceeding 25% of the amount that stood to credit at the end of the second year immediately preceding the year in which the loan is applied for.
- Partial withdrawal is permissible from 5th financial year. One withdrawal is permissible every year from 7th financial year.
- Interest earned in PPF account is completely exempted from Income Tax under Sec-10(15 of Income tax Act).
- Nomination facility is available in the name of one or more persons. The shares of nominees may also be defined by the subscriber.
- The account can be transferred to other branches/ other banks or Post Offices and vice versa upon request by the subscriber. The service is free of charges.

Eligibility Criteria

- Indian citizens residing in the country are eligible to open a PPF account in his/her name.
- Minors are also allowed to have a Public provident fund account in their name, provided it is operated by their parent.
- Non-residential Indians are not permitted to open a new PPF account. However, any existing account in their name remains active till the completion of tenure.

Interest on a PPF Account

The interest payable on public provident fund scheme is determined by the Central Government of India. It aims to provide higher interest than regular accounts maintained by various commercial banks in the country. The interest is compounded annually.

To know the present interest rate, [click here](#) .

Open a PPF Account

Both offline and online procedures are available for an individual provided he/she meets requisite parameters mentioned in the eligibility criteria. Activating PPF online can be done by visiting the portal of a chosen bank or post office.

The following documents must be produced at the time of activation of a public provident fund account .

- KYC documents verifying the identity of an individual, such as Aadhaar, Voter ID, Driver's License, etc.
- PAN card.
- Residential address proof.
- Form for nominee declaration.
- Passport sized photograph.

Source : National Savings Institute.

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