

**F.No.116-12/2016-SB**  
**Government of India**  
**Ministry of Communication**  
**Department of Posts**  
**(F.S. Division)**

Dak Bhawan, New Delhi-110001

Dated :- 14/02/2020

To,  
All Head of Circles,  
Addl. Director General, APS, New Delhi

**Subject:-**Amendments to procedural rules relating to Public Provident Fund Scheme in POSB(CBS) Manual in the light of recent changes circulated vide SB Order 13/2019 dated 18.12.2019.

Sir/Madam,

The undersigned is directed to inform that MoF(DEA) has revised many statutory rules relating to different National Savings Schemes which were circulated vide SB order 13/2019 dated 18.12.2019. The competent authority has now approved to change relevant procedural rules and issue corrections slips of POSB(CBS) Manual [circulated vide SB Order No.9/2018 dated 17.7.2018].

2. Accordingly, the corrections relating to Public Provident Fund Schemes are given below:-

**Correction slips for PPF in POSB(CBS) Manual**

**Rule 106(i):- This sub rule should be replaced with below text:-**

(i) The Public Provident Fun Scheme is a statutory scheme of the Central Government framed under provisions of PPFAct 1968. This Act was repealed through Chapter VIII of Finance Act 2018 and now this scheme is governed by Government Savings Promotion Act 1873 (amended from time time) and Public Provident Funds Scheme Rules 2019.

**Rule 106 (iii):-This sub rule should be replaced with below text:-**

Any individual can subscribe to the Public Provident Fund on his own behalf or on behalf of a minor of who he is a guardian any amount in multiple of Rs. 50/- not less than Rs. 500/- and not more than Rs. 1,50,000/- in a financial year.

**Rule 106(vii) :-This sub rule should be replaced with below text:-**

The subscriptions can be deposited in lump sum or in convenient installments. More than one installment can be deposited in a month.

**Rule 106(xxvi):- This sub rule should be replaced with below text:-**

For opening of PPF account, minimum Rs. 500/- rupees are required.

**Rule 106(xxvi):- Add sub rule (xxvii) below this sub rule:-**

(xxvii) PPF Account can be extended after maturity with deposits within 1 year of the date of maturity of original PPF Account or extended PPF Account by submitting application in Form-4. Similarly, PPF Account can also be retained after maturity without further deposits and balance at the time of maturity shall continue to earn interest at the rate of PPF Scheme notified from time to time. In case PPF Account is retained without deposits, account holder can take one withdrawal in each financial year.

**FORM - 4**  
**(Application for extension of account)**

To,  
The Postmaster/Manager

.....  
.....  
Sir,

1. My PPF account number \_\_\_\_\_ has matured on \_\_\_\_\_.
2. I request for extension of my PPF account number \_\_\_\_\_ for a further block period of five years.
3. I have understood the terms and conditions applicable to the account during the period of extension under the said scheme as amended from time to time and shall abide by them.

I hereby declare that I, and the minor( in case of minor account) continues to be Resident Citizen of India at the time of commencement of the block period of five years.

Date

Signature of the account holder /guardian

Place

(Name and address)

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**For the use of Accounts Office**

The account no..... which was opened on ..... with Rs..... (Rupees.....) and matured on ....., has been extended for a period of \_\_\_\_ years with effect from ..... to .....under rule.....of the.....scheme.

Necessary entries have been made in the records and pass book/deposit receipt/ statement of account.

Date

Signature of Postmaster/Manager  
Seal

**Rule 108(1)(iii):- Add sub rule (iv) below this sub rule:-**

**(iv) Deposits made in a PPF Account up to 5<sup>th</sup> of a calendar month (irrespective of the deposit if made by cash or cheque of Demand draft or any electronic mode) shall be eligible for earning interest.**

**Rule 108(3)(i):- This sub rule should be replaced with below text:-**

The principal amount of loan will be repaid by the subscriber through pay-in-slip with specific remark. It will be credited to the Loan Account of the subscribed in the FINACLE CBS application by using CPDTM menu. After the principal amount is fully repaid, the subscriber shall pay interest in not more than two monthly installments at the rate of one percent per annum of the principal for the period commencing from the first day of the month following the month in which the loan is drawn upto the last day of the month in which the last installment of the loan is repaid.

**Rule 108(3)(ii):This sub rule should be replaced with below text:-**

Where the loan is not repaid or is repaid only in part, the penal interest will be charged at the rate of six percent per annum. The penal interest on the amount of loan outstanding and any portion of the interest payable, but not repaid, will, on becoming due, be debited to the subscriber's loan account by contra credit to the interest head as given above. For this purpose, the amount of interest will be withdrawn by the batch process in Finacle CBS application.

**Rule 108(4):-This sub rule should be replaced with below text:-**


**Interest on subscriptions:-**Interest shall be eligible for a calendar month on the lowest balance at the credit of an account between the close of the fifth day and the end of the month. Interest on the

subscriptions made during the financial year and balance in the account shall be admissible at rates prescribed from time to time by the Central Government. It will be credited to the account of the subscriber at the end of each financial year. The interest will be calculated by the FINACLE CBS application on 31<sup>st</sup> March day end as a batch process and credited into the account on 1<sup>st</sup> April.

**Rule 108(6)(ii):- Add sub rule (iii) below this sub rule:-**

**(iii)** on change in residency status of the account holder on production of copy of Passport and visa or Income-tax return.

3. It is requested to circulate these corrections to all concerned for information and guidance and necessary action.
4. This issues with the approval of Competent Authority.

  
(Devendra Sharma)  
Assistant director (SB)

**Copy to:-**

1. DDG(FS)/DDG(VIG)/AS&FA/DDG(PAF)/DDG(RB)/DDG (Estt.)/DDG(PG & Inspections)/DDG (PCO/Sr. DDG(PBI)
2. Director of Audit (P&T), Delhi.
3. Resident Audit Officer, Room No.517-B, Dak Bhawan, New Delhi.
4. All Directors/Dy. Directors of Accounts, Postal
5. Director, RAKANPA, Ghaziabad, All Directors, Postal Training Centres.
6. Director PTC Mysore for uploading the SB order on India Post Web Site.
7. Deputy Director (CEPT) O/o CPMG T.N.Circle, Chennai for information.
8. AD /Inspection/PF/Vigilance
9. All recognized unions.
10. MOF(DEA), NS-II, North Block, New Delhi
11. National Savings Institute, 4 Deen Dayal Upadhyay Marg, New Delhi.
12. PS to Member (Banking)
13. PPS to DG Posts.
14. PPS to Secretary Posts.