



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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March 29, 2010

The Chairman and Managing Director / Managing Director
Government Accounts Department, Head Office
State Bank of India / State Bank of Indore / State Bank of Patiala /
State Bank of Bikaner & Jaipur / State Bank of Travancore /
State Bank of Hyderabad / State Bank of Mysore /
Allahabad Bank / Bank of Baroda / Bank of India /
Bank of Maharashtra / Canara Bank / Central Bank of India /
Corporation Bank / Dena Bank / Indian Bank /
Indian Overseas Bank / Punjab National Bank / Syndicate Bank /
UCO Bank / Union Bank of India / United Bank of India /
Vijaya Bank / IDBI Bank / ICICI Bank

Dear Sir/Madam,

Public Provident Fund Scheme, 1968:

- 1) Clarification regarding reckoning of the date of deposit
- 2) Reiteration of instructions on opening of an account for a minor

1. Reckoning the date of deposit in case of cheque payment:

(a) As you are aware, in terms of Ministry of Finance letter No. F. 3(9)-PD/72 dated September 4, 1972, in the case of Public Provident Fund Scheme, 1968 (PPF) "when a subscriber makes a deposit by local cheque or demand draft, the date of tender of cheque or draft at the Accounting Office is treated as date of deposit, provided the related cheque is honoured on presentation for encashment." However, in case of all other Small Savings Schemes of the Government of India (GoI), such as, Post Office Savings Schemes (POSS), as also Senior Citizens Savings Scheme, 2004 (SCSS), if the money is deposited in the account by means of a cheque (local or outstation), the date of encashment of the cheque is treated as the date of deposit.

(b) In order to bring uniformity in the reckoning of the date of deposit in the PPF vis-à-vis POSS and SCSS, the GoI, vide their letter F. No.7/7/2008/NS-II dated February 10, 2010, have decided that hereafter in modification of Ministry of Finance letter No.F.3(9)-PD/72 dated September 4, 1972 "when a deposit is made in the PPF account by means of a local cheque or demand draft by the subscriber, the date of realization of the amount will be the date of deposit."

This Department is ISO 9001-2000 Certified.

Department of Government & Bank Accounts, Central Office, Byculla Office Building,
4th Floor, Opp. Mumbai Central Railway Station, Byculla, Mumbai – 400008.
Telephone: (022) 23084121, Fax: (022) 2301 0095/2300 0370, e-mail: cgmcdgbaco@rbi.org.in

(c) You may bring this to the notice of your branches undertaking PPF business and ensure that the same is also incorporated in the computerized system. The information should also be duly displayed at the branches for awareness of the customers.

2. Opening of an account for a minor:

(a) In view of complaints being received about non-opening of accounts for minor by some Agency banks, it is reiterated that as per Rule 3 (1) of PPF Scheme, 1968, an individual may, on his own behalf or on behalf of a minor, of whom he is the guardian, subscribe to the Public Provident Fund. Further it is reiterated that as clarified, vide Ministry of Finance letter F.7/34/88/-NS II dated November 17, 1989, either father or mother can open a PPF account on behalf of his/her minor child but not both.

(b) You are advised to reiterate these instructions to your branches operating the PPF Scheme.

Yours faithfully,

(Sangeeta Lalwani)
Deputy General Manager