

RBI/2004-05/287

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**December 2, 2004
Agrahayana 11, 1926(S)**

The Chairman/Managing Director,
State Bank of India/Associate Banks/
14 Nationalised Banks/Corporation Bank

Dear Sir,

Public Provident Fund Scheme, 1968

Government of India, Ministry of Finance have observed that some agency banks are not strictly adhering to the procedure prescribed under Public Provident Fund, 1968 while operating the scheme especially in reckoning the maturity period/allowing extension of maturity period. One branch of an agency bank, in violation of the extant Government instructions, has allowed the extension of maturity period on **23 April 2004 itself**, for a block period of 5 years, in respect of Public Provident Fund Account eventhough the Account was opened on 8th June 1989. The extension in the case can be permitted **only after expiry of 15 years** from the close of financial year in which the initial subscription was made in the PPF Account (i.e. on or after April 1, 2005).

2. In this connection, we draw your attention to the provisions contained in paragraph 9(3), (3A) & (3B) under **Public Provident Fund Scheme, 1968** as also under paragraph Nos. 13 & 14 of "**Summary of the Public Provident Fund Scheme**" regarding extension of maturity period on PPF Account, extracts of which are furnished in the Annexure for ready reference.

3. As it is necessary to ensure that the instructions issued by Government of India/Reserve Bank of India from time to time are strictly adhered to by the designated branches operating the Public Provident Fund Scheme 1968, you are requested to reiterate the instructions to your designated branches immediately for strict compliance.

4. Please acknowledge receipt.

Yours faithfully,

(D. Rajagapala Rao)
Deputy General Manager.