

Government of India  
Ministry of Finance  
Department of Economic Affairs  
**LOK SABHA**  
**UNSTARRED QUESTION NO.2452**  
TO BE ANSWERED ON FRIDAY 9<sup>th</sup> March, 2018  
**“CLOSURE OF PPF ACCOUNTS”**

No.2452

SHRI ANANDRAO ADSUL  
DR. PRITAM GOPINATH MUNDE  
SHRI SHRIRANG APPA BARNE  
SHRI VINAYAK BHAURAO RAUT  
SHRI DHARMENDRA YADAV  
SHRI ADHALRAO PATIL SHIVAJIRAO  
DR. SHRIKANT EKNATH SHINDE:

Will the Minister of FINANCE be please to state:-

- (a) whether the Union Government proposes to allow premature closure of Public Provident Fund (PPF) accounts and permit opening of small savings accounts in the name of minor, if so, the details thereof;
- (b) the steps taken to make provisions for premature closure easier in respect of all schemes;
- (c) whether there are various ambiguities due to multiple Acts and rules for small saving scheme, if so, the details thereof;
- (d) whether there is a proposal to merge Government Savings Certificates Act, 1959 and Public Provident Fund Act, 1968 with the Government Savings Banks Act, 1873, if so, the main objective of the common act; and
- (e) the other steps taken by the Union Government to address the grievances and settlement of disputes relating to small savings?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
**(SHRI P. RADHAKRISHNAN)**

- (a) & (b) Sir, at present premature closure of a Public Provident Fund (PPF) account is permitted on specified grounds on completion of five financial years from the date of opening of account. Opening of accounts in the name of a minor is permitted under all the small savings scheme except the Senior Citizens' Savings Scheme.
- (c) & (d) Yes Sir. There are some ambiguities due to multiple Acts and rules for small savings schemes and the same are as under:
  - i Certain provisions are not uniform in the existing three Acts.
  - ii Some provisions have become redundant with time, which have been proposed to be deleted, with a view to simplify and avoid confusion.
  - iii Some provisions are not clearly defined in existing Acts, leading to legal issues.

Yes. The main objective of the common act is to bring uniformity in the provisions of different small savings schemes presently governed by the three Acts.

- (e) The grievances relating to small savings are addressed by the banks and Department of Posts. Some grievances are also handled by Ministry of Finance.

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