

**SB Order No. 31/2021**

F. No. FS-32/1/2021-FS-DOP  
Govt. of India  
Ministry of Communications  
Department of Posts  
(F.S. Division)

Dak Bhawan, New Delhi-110001

Dated: 18.10.2021

To

All Heads of Circles / Regions

Subject: Standard Operating Procedure (SOP) for dealing with cases of amalgamation of PPF Accounts – Reg.

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Madam / Sir,

Whenever any depositor has opened more than one PPF Accounts, the second and subsequent accounts opened are treated as irregular, as an individual can open only one single account under PPF Scheme.

2. In such cases, considering the requests of the PPF subscribers, Department of Economic Affairs, Ministry of Finance regularizes such irregular accounts/deposits by amalgamating more than one PPF accounts into one account, in relaxation of rules.

3. On receipt of the concurrence of Ministry of Finance for amalgamation of more than one PPF accounts, which were opened irregularly, the Post Offices shall follow the Standard Operating Procedure which is attached herewith, for amalgamation of accounts.

4. If there is any outstanding loan in any of the PPF account to be merged, the depositor shall be requested to repay the entire outstanding loan amount along with the interest. That is, if there is any PPF loan account, it should be closed before the amalgamation of accounts is done.

5. During the process of amalgamation, the interest calculation is required to be done manually by the Head Post Offices. The interest calculation shall be done by the Post Office Counter Officials and verified and authorized by Supervisor / In-Charge, SBCO.


6. This is issued with the approval of Competent Authority.

Encl: Standard Operating Procedure

  
(T C V JAYAN)  
Asst. Director (SB-I)

Copy to:-

1. Sr. PPS to Secretary (Posts)
2. PS to Director General Postal Services.
3. PPS/PS to Addl. DG (Co-ordination) / Member (Banking) / Member (O) / Member (P) / Member (Planning & HRD) / Member (PLI) / Member (Tech) / AS & FA
4. Addl. Director General, APS, New Delhi
5. Chief General Manager, BD Directorate / Parcel Directorate / PLI Directorate
6. Sr. Deputy Director General (Vig) & CVO) / Sr. Deputy Director General (PAF)
7. Director, RAKNPA / CGM, CEPT / Directors of all PTCs
8. Director General P & T (Audit), Civil Lines, New Delhi
9. Secretary, Postal Services Board/ All Deputy Directors General
10. All General Managers (Finance) / Directors Postal Accounts / DDAP
11. Chief Engineer (Civil), Postal Directorate
12. All recognized Federations / Unions / Associations
13. The Under Secretary, MOF (DEA), NS-II Section, North Block, New Delhi.
14. The Joint Director & HOD, National Savings Institute, ICCW Building, 4 Deendayal Upadhyay Marg, New Delhi-110002
15. GM, CEPT, Mysuru - for uploading the order on the India Post website.
16. Guard File

  
(T C VIJAYAN)  
Asst. Director (SB-I)  
18/1/2021

**STANDARD OPERATING PROCEDURE**  
**FOR AMALGAMATION OF MORE THAN ONE PPF ACCOUNT HELD BY A DEPOSITOR**

When more than one PPF account are held by an individual with one or more operating agencies (Operating agencies means Department of Posts and Banks) against the provisions in PPF Rules, Department of Economic Affairs, Ministry of Finance in relaxation of rules issues orders for amalgamation of the accounts of PPF subscribers, for regularization of irregular deposits / accounts. In such cases, the Standard Operating Procedure (SOP) to be followed by the operating agencies has been issued by DEA, MoF in OM No. 2/2/2020-NS dated 25.02.2021 and the procedure is as follows.

- a). Where the deposits made in both the accounts taken together are within in the prescribed deposit ceiling, as applicable to the account from time to time, shall be allowed to be amalgamated and the account holder will be given an option to retain the account of his choice. The PPF accounts in the same operating agency could easily be amalgamated at the level of operating agency by adopting the procedure of transfer of the PPF account.

The amalgamation of PPF accounts in different operating agency requires interaction between both the operating agencies. In such cases, the depositor will submit the request for amalgamation to the accounts office (Accounts office means Post Office or Bank) where he intended to retain the account, along with photocopy of the passbook / statement of account. Thereafter, the accounts office will forward the case to other accounts office (where the account stands which is to be merged) and request to verify / send the details of annual subscriptions of all the financial years. The accounts office will then work out the annual subscriptions deposited by the account holder in all the PPF accounts keeping in view the prescribed deposit ceiling under PPF scheme declared / decided by the Government from time to time. On confirming subscriptions do not breach prescribed deposits ceiling of any of the financial year, the accounts office will request the other accounts office to close the account and transfer the balances in the account keeping in view the relevant provision of the PPF Scheme. The date of opening of the retained account shall be deemed as the actual opening of the account for the calculation of maturity and other purposes. Date of actual transfer / credit of balance in the account which is to be retained, shall be deemed to be the date of deposit for the purpose of loan / withdrawal etc.

- b). Where the deposits made in both the accounts taken together are in excess of the prescribed deposit ceiling, applicable from time to time, the excess amount breaching the limit will be refunded to the subscriber from the account to be amalgamated without any interest. The accounts office will adjust the interest entry before transferring the balance to the account office, where the account stands intended to be retained. The date of opening of the



retained account shall be deemed as the actual opening of the account for the calculation of maturity and other purposes. Date of actual transfer / credit of balance in the account which is to be retained, shall be deemed to be the date of deposit for the purpose of loan / withdrawal etc.

2. When a PPF depositor submits request to retain his account with Post Office, the following procedure shall be followed by the Head Post Offices after ensuring that the amalgamation has been ordered / concurred by Ministry of Finance.

**(I). Procedure for amalgamation if one account is operated at Post Office (PO) and another one is operated at Bank and Customer wants to continue the account at PO.**

1. The bank will issue the cheque along with details of transactions in the account standing at Bank. Cheque received from Bank is to be lodged in PPF Transit Account (SOLID+0322).

2. If the PO account stands at any Sub Post Office, the Sub Post Office shall send the passbook and the AOF of the account, along with the copy of the memo / order of concurrence for amalgamation and the account shall be transferred to the HO SOL without levying any transfer fee. Then, it shall be closed as 'Transfer out to Bank'.

a. During closure in HCAAC menu, SOL user has to select the value NO for the field 'Apply Interest till Date'

b. Closure should be done in transfer mode and amount is to be credited to PPF transit account (SOLID+0322).

3. Transactions in PO account and the transactions in Bank account are to be entered in chronological (date-wise) order in excel sheet provided for PPF TRANSFER-IN accounts.

a. If sum of deposits in any of the Financial Year (FY) exceeds the prescribed limit for that FY, then transactions / amount beyond the limit should be excluded. Maximum amount of subscriptions in PPF allowed for each FY is as follows.

Date of Revision of Subscription	Minimum in Rs.	Maximum in Rs.
16-05-1968	100	15000
01-08-1972	100	20000
09-03-1979	100	30000
16-03-1983	100	40000
23-06-1986	100	60000
15-11-2002	500	70000
01-12-2011	500	100000
13-08-2014	500	150000



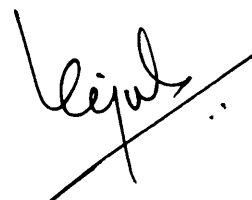
**Note 1:** Chronological order means, for example, 5 transactions done in PO, 2 transactions done in Bank and then 3 transactions in PO; if the total deposit amount limit exceeds from the second transaction done at Bank, last 4 transactions should be excluded for that financial year, subject to the deposit of maximum allowed amount.

**Note 2:** A fresh calculation sheet has to be prepared along with the transactions which are to be uploaded in the new account (amalgamated) to be opened. Interest for each financial year has to be calculated manually by the Head Post Office. The interest for each year should be got verified by the Supervisor / In-Charge, SBCO.

- b. Subscription paid in excess by the Depositor is to be noted down date wise and interest paid/credited on the excess amount should be calculated for each financial year.
  - c. Interest (revised interest calculated) entry with date as 31/03 should be entered for all FYs starting from the FY of account opening till the previous FY.
  - d. Financial year end indicator field for interest transactions alone should be Y.
  - e. If there are any transactions made in current FY, those transactions should also be entered in the excel sheet.
4. PPF account is to be opened as **TRANSFER-IN** account with original account opening date of the account being retained and the corresponding maturity date.
5. Text file created from the above excel file to be uploaded as per existing procedure prescribed for transfer-in accounts.

**Note:** This upload will ensure that withdrawal limits & loan eligibility are properly available in the custom tables.

6. Excess subscription paid should be refunded to the customer. Amount to be refunded to the customer should be transferred from Office Account SOLID+0322 to Office Account SOLID+0340 using CXFER menu and the payment of excess deposit shall be paid to the **Depositor by cheque only**.
7. Residual amount (excess interest) should be transferred from 0322 to PPF Interest Account 0393.

A handwritten signature in black ink, appearing to read 'Lijul', is written over a diagonal line that extends from the bottom left towards the top right.

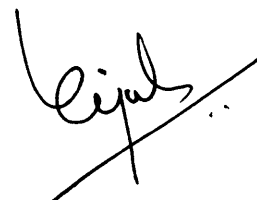
8. Counter PA shall update the passbooks of the closed PPF accounts and AOF of the closed PPF account(s) with remark "Account Closed for amalgamation of Accounts No. \_\_\_\_\_ and \_\_\_\_\_ in accordance with the Memo / Order No. \_\_\_\_\_ dated \_\_\_\_\_" at the end of the last transactions under the signature of the Postmaster and with remarks "Account closed" on all unused pages of Passbooks in red ink or by means of a rubber stamp.
9. A fresh AOF shall be obtained from the Depositor and a fresh passbook for the PPF account opened on amalgamation shall be issued to the Depositor and a remark "Account opened on amalgamation of Accounts No. \_\_\_\_\_ and \_\_\_\_\_ in accordance with the Memo / Order No. \_\_\_\_\_ dated \_\_\_\_\_" shall be made in the backside of the first page of the passbook and on the fresh AOF, under the signature of Postmaster. The fresh AOF shall be filed in the guard file along with the AOF of closed account(s).
10. If the retained account stands any Sub Post Office under HO, the amalgamated new account shall be transferred to the Sub Post Office where the retained account existed, without levying any transfer fee and the AOF(s) along with the passbooks (closed account(s) and fresh passbook of the amalgamated account) shall be sent to the Sub Post Office. The Sub Post Office shall file the AOF(s) in the guard file and deliver the passbooks to the Depositor.

**(II). Procedure for amalgamation if both or all the accounts are operated either at same Post Office (PO) or at different Post Offices and Customer wants to continue the account at any one Post Office.**

1. Customer has to present his request at the Post Office where he wants to continue his account, if both the accounts are maintained in different POs. E.g. SOL1 (PO-1) & SOL2 (PO-2).
2. If SOL1 or SOL2 or both, happen to be Sub Post Office, the Sub Post Office where the Depositor has submitted request to retain his account shall forward the passbooks with AOF(s) and request, to its HO and the account(s) shall be transferred to HO SOL without levying any transfer fee.

**Note:** Now, both the PPF accounts shall be available at same PO viz. HO SOL.

3. Both the PPF accounts in HO SOL should be closed, as 'Transfer out to Bank'.



- a. During closure in HCAAC menu, SOL user has to select the value NO for the field 'Apply Interest till Date'.
  - b. Closure should be done in transfer mode and amount is to be credited in PPF Transit Account i.e. SOLID+0322.
4. Transactions in both the PPF accounts are to be entered in chronological (date-wise) order in excel sheet provided for PPF Transfer-in accounts.
  5. The procedures prescribed in paras 2 (I) (3) (a) to (e), 4 to 10 shall be followed.

**Note:** In both the above cases I & II, the total amount credited in office account SOLID+0322 (i.e. amount received from bank & amount credited due to closure of account which is to be amalgamated) should tally with the totals of amount transferred to the new amalgamated account opened, excess deposit amount refunded to the customer (i.e. amount transferred to office account SOLID+0340) and the excess interest amount transferred to the office account SOLID+0393. This shall be checked by the Supervisor / In-Charge SBCO.

### 3. Illustration

Assume that a depositor is having two PPF accounts with the transactions as detailed below. Interest is assumed as 7% per annum and Maximum allowed amount is assumed as Rs. 1,50,000/-.

- a). Account 1 opened on 04.04.2018

Date	Transaction	Amount in Rs.	Balance in Rs.
04-04-2018	Deposit	150000	150000
31-03-2019	Interest	10500	160500
03-04-2019	Deposit	120000	280500
31-03-2020	Interest	19635	300135
03-04-2020	Deposit	140000	440135
31-03-2021	Interest	30809	470944
05-04-2021	Deposit	100000	570944

- b). Account 2 opened on 04.04.2020

Date	Transaction	Amount in Rs.	Balance in Rs.
04-04-2020	Deposit	20000	20000
05-10-2020	Deposit	40000	60000
31-03-2021	Interest	2800	62800
09-04-2021	Deposit	10000	72800



2. If the amalgamation of the above two accounts are ordered, the annual subscriptions made in both the accounts are to be worked as follows.

Date	Transaction	Amount (Rs.) in Account 1	Amount (Rs.) in Account 2	Total Deposit in FY concerned	Excess Deposit to be refunded	Excess Interest to be deducted
04-04-2018	Deposit	150000				
31-03-2019	Interest	10500		150000		
03-04-2019	Deposit	120000				
31-03-2020	Interest	19635		120000		
03-04-2020	Deposit	140000				
04-04-2020	Deposit		20000		10000	700
05-10-2020	Deposit		40000		40000	1400
31-03-2021	Interest	30809	2800	200000		
05-04-2021	Deposit	100000				
09-04-2021	Deposit		10000			
	Total	570944	72800		50000	2100

3. If the depositor requests to retain the Account 1, the new amalgamated account will be opened with the date of opening as 04.04.2018 and the following ledger entries will be uploaded.

Date	Transaction Particulars	Amount in Rs.	Balance in Rs.
04-04-2018	Normal Contribution	150000	150000
31-03-2019	Interest for 2018-19	10500	160500
02-04-2019	Normal Contribution	120000	280500
31-03-2020	Interest for 2019-20	19635	300135
03-04-2020	Normal Contribution	140000	440135
04-04-2020	Normal Contribution	10000	450135
31-03-2021	Interest for 2020-21	31509	481644
05-04-2021	Normal Contribution	100000	581644
09-04-2021	Normal Contribution	10000	591644
	Total	591644	

4. If the depositor requests to retain the Account 2, the new amalgamated account will be opened with the date of opening as 04.04.2020 and the following ledger entries will be uploaded.

Date	Transaction Particulars	Amount in Rs.	Balance in Rs.
04-04-2020	Balance Transferred	440135	440135
04-04-2020	Normal Contribution	10000	450135
31-03-2021	Interest for 2020-21	31509	481644
05-04-2021	Normal Contribution	100000	581644
09-04-2021	Normal Contribution	10000	591644
	Total	591644	





5. The transactions shall be balanced in Finacle as follows.

Details	Amount in Rs.	Remarks
Credit in Office Account SOLID+0322	643744	Closure proceeds of both the accounts
Debit in Office Account SOLID+0322	591644	Funding in amalgamated Account
Credit in Office Account SOLID+0340 by debiting Office Account SOLID+0322	50000	Excess Deposit Amount to be paid to the Depositor by Cheque
Credit in Office Account SOLID+0393 by debiting Office Account SOLID+0322	2100	Excess interest is credited in Govt. Account
Balance in Account SOLID+0322	0	

