

ICICI BANK CUSTOMER EDUCATION SERIES

TIMES BUSINESS ASSOCIATE COMMUNICATION

Did You Know?

The present interest rate of 8% p.a. on PPF was last revised in the year 2003.



Savings Schemes

Anand is a meticulous saver, but finds the world of investment very complex. He is unwilling to take any risk with his hard-earned money. He likes to know that his money is earning a regular interest income, and is safe. If he has to make a beginning with his investments, beyond his provident fund and bank deposits, he could consider the savings schemes of the Government.

Savings schemes are created by the Government to encourage the saving habit in individuals. It is easy to invest in them through the post office and banks. Savings schemes are in the form of post office deposits (savings, fixed and recurring), post office monthly income schemes (MIS), Kisan Vikas Patra (KVP), National Savings Certificates (NSC), Public Provident Fund (PPF) and Senior Citizens' Savings Scheme (SCSS). Payment of interest and principal is guaranteed by the Government.

The interest in savings schemes is determined by the Government. Savings schemes provide the investor with the option of receiving periodic interest or allowing the interest to accumulate. NSC and PPF

have only the accumulation option for interest.

Savings schemes are conservative investments. They are suitable to Anand if he does like to take on any risk. The rates of return may not always be attractive, as they are set and revised by the Government. But they are easily available and simple to understand.

Centre for Investment Education and Learning

We welcome your questions, suggestions and feedback on this column. Please use the 'Email Us' link at www.icicibank.com or send us an SMS to 53030. Please include your full name, address and phone number. Your comments may be edited for clarity and space.

Look out for our next article on 'Insurance' on November 17.



SMS CONTEST

Question: PPF and NSC savings schemes offer the investor _____.

Answer: A. periodic interest
B. accumulation of interest
C. a choice between periodic interest and accumulation of interest.

To answer SMS DISHA A, B or C to 53030 and win a 2N 3D holiday.*
Contest open for the day of publication.

*Terms and conditions apply. Visit www.dishac.org for details and winners.



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