INVESTMENT OPTIONS

Sr.No.	Name of Investment	Who can Invest	Yield	Life /Lock-in Period	Issuer	Tax Benefits (See Notes below)	Min./Max. amount (See notes below)	Liquidity	Capital Appreciations / Risk	Nomination / Joint Names
1	Public Provident Fund (PPF)	Individuals and HUFs (Now NRIs not allowed though old accounts may continue on non-repatriation basis)	8% p.a. w.e.f. 1-3-2003 calculated on monthly balance and credited annually	15 years. Optional extension for block 5 years at a time	Govt. of India through Nationalised Banks and of Post Office.	Sections 10 and 80C. No TDS on interest and withdrawal	Min. Rs. 100 p.a. Max. Rs. 70,000 p.a.in respect of individual and minors taken together.	No withdrawal till expiry of 6th F.Y.Then one withdrawal up to lower of 50% of the balance at the end of 4th preceding year or the year immediately preceding the year of withdrawal. Loan (of up to 25% of amount at credit at the end of 2 preceding years) can be applied for after 2 years but before 5 years from the end of year in which initial subscription is made.	None. Accumulation of interest No Risk	Nomination possible except for minors

CA. Ashish Goyal

2	National Savings Certificates VIII Issue (NSC) (Available in demat form at select post offices)	Any Entity	8% p.a. w.e.f.1-3-2003 compo-unded half yearly. Maturity value shall be Rs.160.10 principal and Int. for every Rs.100/-	6 years. Premature encashment possible after 3 years with lower yield as per Rule 16 of National Savings Certificate (VIII issues) Rules, 1989	Govt. of India through Post Office	Section 80C Investment and accrued int. eligible u/s. 80C except 6th year. No TDS on interest and withdrawal	Min. Rs.100 Max. No Limit	Can be transferred (but not encashed) after one year. Premature encashment after 3 years with discounted interest.	None. No risk	Joint ownership and nomination possible
3	Savings Scheme, 2004	Senior Citizens (NRIs Not allowed)	9% p.a.	5 Years	Govt. of India through Post Office.	No TDS	Min Rs. 10,000/-Max Rs. 15,00,000 (Per Couple)	Not Transferable no withdrawal up to 3 years thereafter subject to condition.	None Accumulation of int for cumulative bonds.No Risk	Joint ownership and nomination possible for single holder only and not available for Joint holdings
4	8% Savings Bonds, 2003 (Taxable)	Individuals, HUFs, Creditable Institutions and Universities, Hospitals (NRIs not allowed)	8% p.a. interest on Non-Cumulative bonds will be received half -yearly (on 1st August & 1st February) and interest on cumulative bonds will be compounded with half yearly rests (1000 becomes 1601 in 6 years)	6 years.	Govt. of India	None.	Min. Rs.1000 Max. No Limit	Cannot be encashed before maturity	None Accumulation of Interest in case of cumulative Bond.	Joint ownership and nomination possible

5	Kisan Vikas Patras (KVP) (Now Available in demat form at select post offices)	Individuals and Trust. Government of Maharashtra has declared KVP as a public security under the provision of Mumbai Public Trust Act, 1950	8.4% p.a.annually compounded of certificate issued on or after 1-3-2003 Every Rs. 1000 will become Rs. 1170.51 after 2½ years or more but less than 3 years; & Rs.1850.93 after 8 years or more but less than 8 years & 7 months.	8 years and 7 months purchased on or after 1-3-2003 Encashment possible after 2½ years.	Govt. of India through Post Office.	None. No TDS on Interest	Min Rs. 100 Max. No Limit	Easily encashable after 2½ yrs	None Accumulation of interest Doubles in 8 years and 7 months No risk	Joint ownership and nomination possible
6	Post Office Recurring Deposit	Individuals	7.25% compounded quarterly payable on maturity	5 Years Extension for another 5 years possible	Govt. of India through Post Office.	None	Min Rs. 10 per month or any amount in multiples of Rs. 5. Max.No Limit	One withdrawal up to 50% of the balance will be allowed after one year and if up to 12 deposits have been made.	None Accumulation of interest No risk	Joint Account & nomination possible
7	Post Office Monthly Income Scheme	Individuals	8% for deposits made on or after 1-3-2003 payable monthly. In addition bonus of 10% payable on maturity	6 years	Govt. of India through Post Office.	No TDS on Interest	Min Rs. 1000 Max. Single A/c - Rs. 4,50,000 single Account - Rs. 9,00,000 Joint Account One time deposit only	Can be withdrawn at any time after 3 years with 1% reduction but no bonus and also after one year with a reduction of 2% from deposit amount	None. No risk	Joint Ownership and nomination possible

8	Post Office Time Deposit	Individuals, Trust	6.25%-7.5% p.a. Payable on maturity for deposits made on or after 1-3-2003. Interest payable annually but calculated on quarterly basis	Either 1 year, 2 years,3 years or 5 years	Govt. of India through Post Office.	None, no TDS on Interest	Minimum Rs.200/- and its multiples Maximum No limit	Can be withdrawn at any time after 6 years but within one year without any interest. Premature withdrawal after one year entails reduction of 2% interest Scheme to Scheme	None Accumulation of interest No risk	Joint Ownership and nomination possible
9	Certificates of Deposits	Any Entity (NRIs can invest only on non-repatriable basis)	Varies from time to time from bank to bank	Between 91 days and 365 days	Scheduled Commercial banks excluding Regional Rural Banks	None	Minimum Rs. 5,00,000 Max. No Limit	Transferable by endorsement and delivery after 30 days	None Accumulation of interest No risk	Joint Ownership possible
10	Financial Institutional Bonds	Any Entity	Varies from time to time as per the market and other conditions	Generally 3 to 7 years period	Financial Institutions- Both public and private	Section 80C is invested in infrastructure Bonds	No Limit	Liquid.Saleable in the open market (can be in demat form also)	Nominal Risk	Joint Ownership and nomination allowed
11	Listed shares of Limited Companies	Any entity other than firms and trusts	Divided rate varies	Shares continue till the dissolution of issuer company	Limited Companies	Section 10 for dividend short-term Capital gain at lower rate i.e 15% and long term Capital Gain not taxable if sold through recognised stock exchange paying securities transaction tax	No Limit	Very Liquid	Max. Scope for capital appreciation by increase in market values High risks	Joint Ownership and nomination allowed

12	Equity oriented schemes of Mutual Fund	Any Entity	Varies depending on performance and pay out policies of asset management companies	Open ended No Lock-in-period Close ended Lock-in-period fixed depending on scheme	Mutual Funds	Section 10 for income.Tax benefits same as that of listed shares of lmited companies	Varies from scheme to scheme	Can be withdrawn at any time subject to exit load which varies from scheme to scheme	Max. scope for capital appreciation High risk	Joint Ownership possible
13	Debt oriented schemes of Mutual Fund	Any Entity	Varies depending on performance and pay out policies of asset management companies		M.F.	Section 10 for income. Tax benefits as per terms of issue	Varies from scheme to scheme	Can be withdrawn at any time subject to exit load which varies from scheme to scheme	Moderate scope for appreciation depending on intrate policies of Government & money supply moderate Risk	Joint Ownership possible
14	Fixed Deposits of Companies	Any Entity	Varies from 8% or 12% depending on financial rating and goodwill of the company	1 year to 3 years	Limited Companies	None	No Minimum or maximum limit	As per terms of Issue	None/ depending on credit rating	Joint Ownership & nomination possible
15	Fixed Deposits and Term Deposits of Banks /Financial Institutions	Any Entity	Varies from 8% or 10%	1 year to 10 years	Banks and Financial Institutions	Section 80C if done for more than 5 years upto the maximum amount of Rs. 1,00,000/-	No minimum or maximum limit.	Highly Liquid.Can be withdrawn any time. Premature withdrawal interest depends on banks Policy	No Risk	Joint Ownership & nomination possible
16	Pension Schemes	Individual above 18 years	In traditional Schemes as per bonus rates and in unit linked as per market conditions	As per policy term	LIC and other Life Insurance Companies	Section 80CCC benefit upto Rs. 1,00,000/- within limit of Rs. 1,00,000/-of Section 80C	Minimum as per policy. Maximum No limit	On Maturity up to 1/3rd can be withdrawn by the individual and reamaining to be commuted for pension.	No Risk in traditional Schemes. Capital appreciation as per bonus declared in traditional schemes and as per market conditions in Unit Linked schemes	Nomination possible