

A close-up photograph of a person's hand holding a golden key. The hand is positioned on the left side of the frame, with the thumb and index finger gripping the key's head. The key is held horizontally, pointing towards the right. The background is a solid, dark blue color. The lighting is soft, highlighting the texture of the skin and the metallic sheen of the key.

Tax Review

Income Tax Update

May 2011 - Update 1



Rate of Provident Fund

- Ministry of Finance (Department of Revenue), Government of India has issued NOTIFICATION NO. 24/2011 [F.NO. 142/14/2010-SO (TPL)], DATED 13-05-2011.
- The rate of interest up to which interest credited on the balance to the credit of the employee in a Recognized Provident Fund ("RPF") has been notified as 9.5%. Interest if provided, over and above the said rate shall be exigible to Income Tax.
- The above rate has been notified with effect from September 1, 2010.
- The above notification has equated the rate of interest as provided by Recognised Provident Fund on fund balance and as allowed under Rule 6 of the Fourth Schedule of Income Tax Act, 1961.

Rate of allowed interest in RPF

Date of credit of interest	Notified Rate (in per cent)
Between September 1, 1981 – June 1, 1983	9
Between June 2, 1983 – August 22, 1984	9.5
Between August 23, 1984 – June 17, 1985	10
Between June 18, 1985 – March 31, 1986	10.5
Between April 1, 1986 – March 31, 2001	12
Between April 1, 2001 – August 31, 2010	9.5
On or after September 1, 2010	9.5



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