

NATIONAL SAVINGS SCHEME RULES, 1987

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NATIONAL SAVINGS SCHEME RULES, 1987

¹1. Published in the Gazette of India Extraordinary No. 151, dated 30-3-1987, Pt. II, section 3(i), p. 2. In exercise of the powers conferred by section 15 of the Government Savings Banks Act, 1873 (5 of 1873), the Central Government hereby makes the following rules, namely.-

1. Short title and commencement :-

(1) These rules may be called the National Savings Scheme Rules, 1987.

(2) They shall come into force on the 1st day of April, 1987.

2. Definitions :-

In these rules, unless the context otherwise requires,-

(a) "account" means a savings account opened by a depositor in accordance with the Scheme;

(b) "Act" means the Government Savings Banks Act, 1873 (5 of 1873);

(c) "depositor" means,-

(i) an individual, or

(ii) a Hindu undivided family, or

(iii) an association of persons or a body of individuals consisting in either case, only of husband and wife governed by the system of community of property in force ¹[in the State of Goa and the Union territory of Dadra and Nagar Haveli and the Union territory of Daman and Diu],

² [(d) "post office" means any Head Post Office, or any sub-post office which is authorised to open an account under these rules;]

(e) "scheme" means the National Savings Scheme as contained in these rules;

(f) "year" means a year commencing on 1st day of April;

(g) words and expressions used herein and not defined but defined in the Post Office Savings Bank General Rules, 1981, shall have the meanings respectively assigned to them in these rules.

1. Substituted for "in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu" by the National Savings Scheme (Amendment) Rules, 1989, w.e.f. 19-1-1989.

2. Substituted for the following clause (d) by the National Savings Scheme (Second Amendment) Rules, 1988, w.e.f. 22-3-1988: "(d) "post office" means any Head Post Office in India doing savings bank work;"

3. Application of the Post Office Savings Bank General Rules, 1981, and the Post Office Savings Account Rules, 1981 :-

The provisions of the Post Office Savings Bank General Rules, 1981, and the Post Office Savings Account Rules, 1981, so far as may be, apply in relation to matters for which no provision has been made in these rules.

4. Opening of account :-

A depositor may open not more than one account under the Scheme.

5. Deposits and withdrawals :-

(1) No account shall be opened with deposit of less than one hundred rupees.

(2) All deposits shall be made in multiples of one hundred rupees.

¹[(3) The total deposits in a year shall not exceed forty thousand rupees.]

(4) Withdrawal will be permitted only once in a year, provided that the amount of such withdrawal shall not exceed the balance at the end of the fourth preceding financial year, less withdrawals, if any, already made.

² [(5) No deposits shall be made under the Scheme on or after the 1st day of October, 1992: Provided that the deposits made on or after 1st day of April, 1992, and before the 1st day of October, 1992, may either be withdrawn by the depositor or transferred at his option, to the account opened by him under the National Savings Scheme, 1992.]

1. Substituted by the National Savings Scheme (Second Amendment) Rules, 1990, w.e.f. 20-12-1990. Prior to the substitution, sub-rule (3) read as under: "(3) There shall be not more than two deposits every month, so however, that the total deposits in a year do not exceed forty thousand rupees." Earlier, the italicised words were substituted for "one deposit" by the National Savings Scheme (Second Amendment) Rules, 1988, w.e.f. 22-3-1988. The figure "forty" was substituted for "thirty" by the National Savings Scheme (Amendment) Rules, 1990, w.e.f. 22-6-1990 which was earlier substituted for "twenty" by the National Savings Scheme (Amendment) Rules, 1988, w.e.f. 1-4-1988.

2. Inserted by the National Savings Scheme (Amendment) Rules, 1992, w.e.f. 15-9-1992.

6. Interest on deposits :-

(1) All deposits made in accordance with the Scheme shall bear interest at such rate as may be notified ¹b y the Central Government in the Official Gazette from time to time: ²[Provided that where the deposits made on or after the 1st day of April, 1992, and before the 1st day of October, 1992, are withdrawn in accordance with the provisions of sub-rule (5) of rule 5, the interest on such withdrawal shall be at the rate of 5.5 per cent per annum and where the depositor opts to transfer the said deposits to the account opened by him under the National Savings Scheme, 1992, the interest on such deposit shall be at the rate of 11 per cent per annum.]

³ [(2) The interest notified under sub-rule (1) shall be allowed for a calendar month on the lowest balance at credit of an account between the close of the tenth day and the end of the month and such interest shall be calculated and credited in the account at the end of each year.]

(3) Where the interest contains part of a rupee and if such part is fifty paise or more it shall be increased to one complete rupee and if such part is less than fifty paise, it shall be ignored.

1. Eleven per cent vide Notification No. 352(E), dated 18-3-1988.

2. Inserted by the National Savings Scheme (Amendment) Rules, 1992, w.e.f. 15-9-1992.

3. Substituted by the National Savings Scheme (Amendment) Rules, 1991, w.r.e.f. 1-4-1987. The substituted sub-section (2) was earlier amended by the National Savings Scheme (Second Amendment) Rules, 1989, w.e.f. 1-1-1990.

7. Pass Book :-

(1) On opening an account, the depositor shall be given a Pass Book bearing the number of his account, his name, address and entry of his first deposit duly initialled by an authorised official of the Post Office.

(2) The Pass Book shall ordinarily be presented for all deposits and withdrawals.

8. Confirmation of balance :-

The depositor shall present his Pass Book as soon as possible after the 31st day of March every year to the Post Office where his account stands for addition of interest and confirmation, of balance at his credit.

9. Closure of account :-

Closure of the account will be permitted on expiry of three years from end of the year in which the last deposit was made, provided that in the event of death of account holder, account may be closed at any time after his death.

10. Power to relax :-

Where the Central Government is satisfied that the operation of any of the provisions of these rules causes undue hardship to the depositor, it may, by order, for reasons to be recorded in writing, relax the requirements of that provision in a manner not inconsistent with the provisions of the Act.