

## **NATIONAL SAVINGS SCHEME RULES, 1992**

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## **NATIONAL SAVINGS SCHEME RULES, 1992**

<sup>1</sup>1. Published in the Gazette of India, Extraordinary No. 372, dated 15-9-1992, Pt. II, section 3(i), p. 3. 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, 1992. <sup>1</sup>

(2) They shall come into force on the 1st day of October, 1992.

1. The Scheme, as contained in these rules, has been specified as a deposit scheme for the purposes of sections 80L(1)(iii) and 88(2) (ix) w.e.f. 1-10-1992: Notification Nos. GSR 819(E) and 820(E), both dated 21-10-1992.

### **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 in the State of Goa and the Union Territories of Dadra and Nagar Haveli and Daman and Diu, by whom, or on whose behalf money, is deposited in an account and deposit means money so deposited;

(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 in the Post Office Savings Banks General Rules, 1981, shall have the meanings respectively assigned to them in these rules.

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

The provisions of the Post Office Savings Banks 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 :-**

(1) A separate account shall be opened in a Post Office by every depositor for each year

(2) In the case of depositors being individuals, an account may be opened by:-

(a) a single adult; or

(b) two adults jointly, the amount due on the account being payable-

(i) to both jointly or survivor; or

(ii) to either of them or survivor;

## **5. Deposits :-**

(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.

(3) The deposits made by a depositor in the National Savings Scheme, 1987, on or after the 1st day of April, 1992, but before the 1st day of October, 1992, and in respect of which he has exercised option under that Scheme to transfer the said deposits to an account opened by him under this Scheme shall be deemed to be deposits under this Scheme and all the provisions of this Scheme, shall apply accordingly.

**<sup>1</sup>** (4) NO DEPOSITS SHALL BE MADE UNDER THE SCHEME ON OR AFTER THE 1ST DAY OF NOVEMBER, 2002

1. In the National Savings Scheme Rules, 1992, in Rule 5, after sub-rule (3). the following sub-rule shall be inserted by "national savings scheme (second amendment) rules, 2002" w.e.f 17th october, 2002

## **6. Interest on deposits :-**

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"(1) (i) For the period commencing from the <sup>2</sup>["1st day of October, 1992"] to the 14th day of January, 2000, the interest at the rate of eleven per cent per annum 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".

"(ii) For the period commencing from the 15th day of January, 2000 but before the 1st day of March, 2001, the interest at the rate of ten-and-a-half per cent per annum 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.

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(iii) For the period commencing from the 1st day of March, 2001 but before the 1st day of March, 2002, the interest at the rate of nine per cent. per annum 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.

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(iv) On and from the 1st day of March, 2002, the interest at the rate of eight-and-a-half per cent. per annum 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.

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(2) Where the interest contains part of a rupee and if such a 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. Substituted for "(1) The interest at the rate of eleven per cent per annum 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." by National Savings Scheme (Amendment) Rules, 2000.

2. Substituted for "15th day of September, 1992", by the "National Savings Scheme (Amendment) Rules, 2001".

3. In rule 6, sub-rule (1) clause (iii), shall be substituted by National Savings Scheme (Amendment) Rules, 2002. Published in the Gazette of India, Extra-Ordinary. Part II, Section 3 (i), No. 103 dated 1st March, 2002.

4. In rule 6, sub-rule (1) after clause (iii), clause (iv) shall be inserted by National Savings Scheme (Amendment) Rules, 2002. Published in the Gazette of India, Extra-Ordinary. Part II, Section 3 (i), No. 103 dated 1st March, 2002.

## **7. Withdrawal :-**

(1) The interest credited in the account may be withdrawn at any time at the option of the depositor.

(2) The deposits may be withdrawn after the expiry of four years from the end of the year in which the account was opened, at the option of the depositor.

(3) The deposits or interest amount not withdrawn after it becomes due, will continue to earn <sup>1</sup> "interest at the rate as specified in Rule 6" up to the date of its withdrawal.

1. Substituted for "interest at the rate of eleven per cent per annum" by National Savings Scheme (Second Amendment) Rules, 2000

**8. 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.

**9. 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 amount at his credit.

**10. Closure of account :-**

Closure of the account will be permitted on expiry of four years from end of the year in which the account was opened: Provided that in the event of death of depositor, account may be closed at any time after his death and <sup>1</sup> "interest at the rate as specified in Rule 6" will be admissible in such cases also up to the date of withdrawal of the amount.

1. Substituted for "interest at the rate of eleven per cent per annum" by National Savings Scheme (Second Amendment) Rules, 2000

**11. 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.