

POST OFFICE RECURRING DEPOSIT RULES, 1981

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POST OFFICE RECURRING DEPOSIT RULES, 1981

G.S.R 666(F). 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 Post Office Recurring Deposit Rules, 1981 .

(2) They shall come into force on the 1st day of April, 1982.

2. Definitions :-

In these rules, unless the context otherwise requires,

(a) "account" means a recurring Deposit Account;

(b) "Table" means a Table appended to these rules;

(c) "year" means a year commencing on the date of the first

deposit in an account:

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

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

For matters not provided in these rules, the provisions of the Post Office Savings Bank General Rules. 1981 shall apply.

4. Persons who can open account :-

(1) 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; or

(c) a guardian on behalf of a minor or a person of unsound mind; or

(d) a minor who has attained the age of ten years, in his own name.

(2) A depositor can have more than one account in his name or jointly with another.

5. Maturity period :-

Maturity period of an account shall be five years.

6. Deposits :-

(1) Subject to the provisions of sub-rule (2) to (4) and rule 10, a depositor shall make sixty monthly deposits in an account.

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"(2) Interest shall be allowed only in sums of complete rupees and shall be rounded off to nearest rupee and for this purpose any amount of 50 paise or more shall be treated as one rupee and any amount less than 50 paise shall be ignored."

(3) The first monthly deposit shall be made at the time of opening the account and the amount of such deposit shall be the

denomination of the account. Each subsequent monthly deposit shall be made before the end of the calendar month and shall be equal to the first deposit.

(4) Where a deposit is made by means of a cheque, pay order or demand draft, the date of its presentation to the Post Office Savings Bank shall be deemed to be the date of deposit.

1. Inserted by Post Office Savings Account (Amendment) Rules, 2003.

7. Defaults in deposits :-

(1) If there are not more than four defaults in monthly deposits, the depositor may, at its option, extend the maturity period of the account by as many months as the number of defaults and deposit the defaulted instalments during the extended period.¹²³ Amount, inclusive of interest, payable on an account opened on or after 1st March, 2002 and continued, with monthly deposits beyond the maturity period or maturity period and extended under sub-rule (1) of Rule 7.

Amount, inclusive of interest, repayable on an account opened on or after 1st March, 2002 and continued, without any fresh monthly deposits, beyond the maturity period or maturity period as extended under sub-rule (1) of Rule 7.

(2) If there are more than four defaults, the account shall be treated as discontinued. Revival of the account shall be permitted only within a period of two months from the month of fifth default. Interest at the rate of ten paise for every five rupee of a defaulted instalment for each month of default shall also be paid along with such deposit in lump sum and an account in which defaulted instalments are so deposited, shall not be treated as discontinued.

1. IN RULE.7, IN SUB-RULE (1) FOLLOWING TABLE SHALL BE INSERTED BY THE POST OFFICE RECURRING DEPOSIT (THIRD AMENDMENT) RULES, 2002

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8. Advance deposits :-

(1) In an account which has not become a discontinued account

under rule 7, deposits for not less than six monthly instalments may be made in advance in any calendar month at the option of the depositor and rebate on such deposits shall be admissible as follows : Advance deposits \Rebate for an account of Rs. 5/- denomination

(i) Six or more deposits but not exceeding eleven deposits made in any calendar month. \

(ii) Twelve or more deposits made in any calendar month. \Two rupees for every twelve deposits and fifty paise for balance, if any, of not less than six deposits.

(2) For accounts of other denominations, the amounts of rebate shall be proportionate to the rates specified in subrule (1).

9. Repayment on maturity :-

(1)

(a) In the case of an account in which sixty monthly deposits have been made during its maturity period or maturity period as extended under sub-rule (1) of rule 7, the depositor shall be entitled at the end of such period to receive the amount, inclusive of interest, specified in the Schedule below : SCHEDULE¹"From 15-1-2000 to 28-2-2001 (both dates inclusive) ...789.60 ²[From 1.3.2002 to 28.2.2003 (both dates inclusive) ... 748.49 From 1.3.2003 onwards 728.90";]

(b) amounts repayable, inclusive of interest, on accounts of other denominations shall be proportionate to the amounts specified in the Schedule.

(2)

(a) Where an account has become discontinued or where the defaults in monthly deposit in an account have not been rectified during its maturity period or maturity period as extended under sub-rule (1) of rule 7, the depositor shall be entitled, on the expiry of such period, to receive an amount, inclusive of interest, which shall be in the same proportion to the amount specified in the Schedule below as the number of monthly deposits made in the account bears to sixty : SCHEDULE³["From 15-1-2000 to 28-2-2001 (both the dates inclusive) ...789.60 ⁴ ["From 1.3.2002 to 28.2.2003 (both dates inclusive) 748.49 "From 1.3.2003 onwards 728.90]

(b) The amount for an account of any other denomination shall be proportionate to the amount specified in the Schedule.

1. Substituted for "From 1.1.1999 to 14.1.2000 (both dates inclusive) ...811.15 From 15.1.2000 ...789.60", by the "Post Office Recurring Deposit (Amendment) Rules, 2001."

2. In Rule 9, sub rule (1), in the scheduled clause (a), the last entry shall be substituted by Post Office Recurring Deposit (Amendment) Rules, 2003. ,Gaz. of India, Exty., Pt.II-Sec. 3(i), No. 96, dt. 1.3.2003, p. 5.

3. Substituted for "From 1.1.1999 to 14.1.2000 (both dates inclusive) ...811.15 From 15.1.2000 ...789.60", by the "Post Office Recurring Deposit (Amendment) Rules, 2001".

4. In Rule 9, sub rule (2), in the scheduled clause (a), the last entry shall be substituted by Post Office Recurring Deposit (Amendment) Rules, 2003. ,Gaz. of India, Exty., Pt.II-Sec. 3(i), No. 96, dt. 1.3.2003, p. 5.

9A. . :-

1 The holder of an account may prematurely close the account after three years from the date of opening of the account provided that interest at the rate applicable from time to time to post office savings account shall be payable on such premature closure of account. However, no premature closure of account is permissible until the period for which the advanced deposits made under Rule 8 is over.

1. Substituted for " 9A Premature closure 16 .-The holder of an account may prematurely close the account after one year from the date of opening of the account: Provided that interest at the rate applicable from time to time to the post office savings account shall be payable on such premature closure of an account. ", vide " POST OFFICE RECURRING DEPOSIT RULES, 1981" Dt.November 4, 1999 Published in Ministry of Finance (Deptt. of Economic Affairs) (Budget Division), Noti. No. G.S.R. 748(E), dated November 4, 1999, published in the Gazette of India, Extra., Part II, Section 3(i), dated 4th November, 1999, pp. 2-3, No. 547 [f. No. 2/3/98-NS-II]

10. Accounts continued beyond maturity period :-

(1) Notwithstanding anything contained in the foregoing rules, if sixty monthly deposits have been made in an account during its maturity period or maturity period as extended under sub-rule (1) of rule 7, the depositor may, at his option, continue the account for a further period upto maximum of five years and make monthly deposits during such further period. Each such monthly deposit shall be equal to the first deposit in the account. The provisions of

rule 7 and Rule 8 shall be applicable to such deposits also.

(2) An account continued under sub-rule (1) may, at any time, be closed by the depositor and on such closure, he shall be entitled, to receive repayment of the amount, inclusive of interest, as follows :

(a) If the account is closed after being continued under sub-rule (1) for a completed number of years, the depositor shall be entitled to receive the amount as specified in ¹["Tables 1, 2, 11, 13, 17, 20, 22, 26, 29, 32, 35, 38 or 41"] as the case may be.

(b) If the account is closed after being continued under sub-rule (1) for a period of less than one year, the depositor shall be entitled to receive the amount as specified under sub-rule (1) of rule 9 together with (i) interest on such amount for the complete months for which the account was continued and (ii) the amount of deposits made by him during the period for which the account was continued.

(c) If the account is closed after being continued under sub-rule (1) for a completed number of years not exceeding 4 and for a part of a year thereafter, the depositor shall be entitled to receive (i) the amount as specified in ¹ ["Tables 1, 2, 11, 13, 17, 20, 22, 26, 29, 32, 35, 38 or 41"], as the case may be, relevant to the completed number of years, (ii) interest on such amount for the complete months in the partial year, and (iii) the amount of deposits made by him during the partial year.

(d) The interest referred to in clause (b) and (c) shall be calculated at the rate applicable, from time to time to savings accounts of the type of single or joint account.

1. In Rule 10, sub rule (2), in the Items (a) and (c) the words and figures "Tables 1, 2, 11, 13, 17, 20, 22, 26, 29, 32, 35 or 38" shall be substituted by Post Office Recurring Deposit (Amendment) Rules, 2003. ,Gaz. of India, Exty., Pt.II-Sec. 3(i), No. 96,dt. 1.3.2003, p. 5.

11. Retention of amount of repayment beyond maturity period :-

(1) Notwithstanding anything contained in the foregoing rules, if sixty monthly deposits have been made in an account during its maturity period or maturity period as extended under sub-rule (1) of rule 7, the depositor may, at his option, continue the account and retain in it the amount of repayment due under sub-rule (1) of rule 9 for a further period upto a maximum of five years, without

mating any fresh deposits during such further period.

(2) On closure of the account at the expiry of the further period referred to in sub-rule (1), the depositor shall be entitled to receive repayment as follows :

¹["Tables 3, 4, 12, 14, 18, 21, 23, 27, 30, 33, 36, 39 or 42"] of completed years only. \ or 4 as the case may be. (c) If the further period consists The amount specified in ¹ "Tables 3, 4, 12, 14, 18, 21, 23, 27, 30, 33, 36, 39 or 42" of completed year not as the case may be, exceeding four and a part relevant to the number of completed of the year thereafter. years together with \ \ \ \ \ \ \ interest on such amount for the complete months in the partial year.

(3) The interest specified in clauses (a) and (c) of subrule (2) shall be calculated at the rate applicable from time to time to savings accounts of the type of single or joint account.

1. In Rule 10, sub rule (2), in the Items (a) and (c) the words and figures "Tables 1, 2, 11, 13, 17, 20, 22, 26, 29, 32, 35 or 38" shall be substituted by Post Office Recurring Deposit (Amendment) Rules, 2003. ,Gaz. of India, Exty., Pt.II-Sec. 3(i), No. 96,dt. 1.3.2003, p. 5.

12. Repayment of death of depositor :-

(1) Subject to sub-rule (2), on the death of the depositor in a single account or of both the depositors in a joint account, no further deposits shall be made in the account and the procedure specified in rule 13 of the Post Office Savings Bank General Rules, 1981 shall apply. For the purpose of such procedure, the amount due for repayment on the account shall be deemed to be as follows : ¹"Tables 5, 6, 7, 8, 9, 10, 15, 16, 19, 24, 25, 28, 31, 34, 37, 40 or 43" desires to receive the amount as the case may be, due at any time earlier than subject to the provisions of rule 13. under (i) above. \ (c) If the account has been continued The amount specified in subrule (2) under sub-rule (1) of rule 10 or rule 11. \ of rule 10 or rule 11, as the case may be.

(2) Notwithstanding anything contained in sub-rule (1), if there are only one or two surviving nominees or legal heirs, he or they may continue the account and receive repayment of the amount, inclusive of interest, in the manner provided for the these rules, as if the account had been opened by him or them.

(3) On the death of a depositor in a joint account, the surviving

depositor shall be treated as the sole owner of the account and he may deal with it in any manner provided for in these ' rules as if he had opened the account in 'his name. If less than sixty monthly deposits have been paid into the account, he shall also have the option to close the account immediately and receive the amount specified in ¹"Tables 5, 6, 7, 8, 9, 10, 15,16,19, 24, 25, 28, 31, 34, 37, 40 or 43" , as the case may be.

(4) On the death of the guardian of a minor or lunatic depositor, the new guardian may close the account and claim the amount as specified in sub-rule (1) or (2) of rule 9 or sub-rule (2) of rule 10 or sub-rule (2) of rule II or ¹ "Tables 5, 6, 7, 8, 9, 10, 15,16,19, 24, 25, 28, 31, 34, 37, 40 or 43" , as the case may be, if the same is required in the interest of such depositor.

1. In Rule 12, sub rule (1), in the Items (b) and sub-rule (3) and (4) the words and figures shall be substituted by Post Office Recurring Deposit (Amendment) Rules, 2003. ,Gaz. of India,Exty., Pt.II-Sec. 3(i), No. 96, dt. 1.3.2003, p. 5.

13. Repayment of full maturity value on the death of the depositor in certain cases (Protected Savings Scheme.) :-

(1) Where the depositor in a single account or the surviving depositor in a joint account dies during the maturity period of an account or its extention under sub-rule (1) of rule 7, the legal heir or nominee, as the case may be, of such depositor, shall be entitled to receive the amount specified in sub-rule (1) of rule 9 as if the depositor had paid all the sixty monthly deposits, subject to the following conditions namely :

¹(i) The payment of full maturity value under this rule shall be restricted to the maturity value of an account of denomination of fifty rupees

(ii) The account has not become a discontinued account.

(iii) The period from the date of opening the account to the date of death of the depositor or surviving depositor, as the case may be, is not less than two years.

(iv) The age of the depositor or depositors, as the case may be, at the time of opening the account is not less than 18 years and not more than 53 years. At the time of opening the account or thereafter, every depositor shall give a declaration in writing to the Post Office Savings Bank indicating his age at the time of opening

the account. Where such declaration has not been given by the depositor or depositors, the claimant shall furnish a certified copy of the School Leaving Certificate of the deceased depositor or a declaration on a plain paper as to the age of deceased depositor at the time of opening the account duly attested by a Gazetted Officer, a Magistrate (including Honorary Magistrate), a member of Parliament or of a Legislature (including the Metropolitan Council for Delhi) or a Panchayat President or Pramukh.

(v) The first twenty-four monthly deposits have been made without default. Explanation : A defaulted instalment paid with interest specified under sub-rule (2) of rule 7 before the death of the depositor or the surviving depositor, as the case may be, shall not be treated as a default.

(vi) The amount of defaults, if any, after twenty-four months from the date of opening the account, together with interest on such amount at the rate specified in sub-rule (2) of rule 7 shall be deducted from the amount payable under this rule.

(vii) No withdrawal has been made from the account during the first twenty-four months.

(viii) If a withdrawal under rule 14 has been made from the account after expiry of twenty-four months from the date of opening of the account, any outstanding amount of such withdrawal and the interest due on the withdrawal under rule 14 shall be recovered from the amount payable under this rule.

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32.

(a) If a depositor or a surviving depositor has more than one account of the denominations not exceeding fifty rupees, the benefit of payment under this rule shall be available in respect of all such accounts which may be specified by the depositor or the surviving depositor, as the case may be, subject to a maximum of the maturity value of an account of denomination of rupees fifty.

(b) If a depositor or a surviving depositor has more than one account of the denominations exceeding fifty rupees, the benefit of payment under this rule shall be available in respect of only that account which may be specified by the depositor or the surviving depositor, as the case may be, subject to a maximum of the

maturity value of an account. of denomination of rupees fifty :
Provided that a depositor or a surviving depositor may, by an application to the Post Office Savings Bank where the account is held, charge the account referred to in clause (a) or clause (b).

(c) If no account has been specified by a depositor or a surviving depositor under clause (a) or as the case may be under clause (b), the benefit of payment under this rule shall be admissible in respect of earlier accounts which qualify for payment under this rule.

(d) Notwithstanding anything contained in clauses (a) to (c), if a depositor or a surviving depositor, has more than one account, and different nominations are made in respect of the accounts, the benefit of payment under this rule shall be admissible to the nominees in respect of earlier accounts which qualify for payment.

(3) The legal heir or nominee, as the case may be, shall on the death of the depositor or the surviving depositor, as the case may be, apply in the manner prescribed to the Post Office Savings Bank where the account is held, not later than one year from the date of death of such depositor. A death certificate or a certified copy thereof should be attached with such application. The claim will be sanctioned by the relevant Head Savings Bank after verification from the ⁴["Office of the Head of the Postal Circle concerned"] that the benefit of the payment of full maturity value on death has not been previously availed of by the legal heir or nominee of the deceased depositor ⁵ [***]

1. Substituted for " (i) The denomination of the account shall not exceed twenty rupees. ", vide " POST OFFICE RECURRING DEPOSIT RULES, 1981" Dt.7th February 1986 Published in Ministry of Finance (Department of Economic Affairs), Noti. G.S.R.95(E), dated February 7, 1986, published in the Gazette of India, Extra., Part II, Section 3(i), dated 7th February 1986 pp. 2-3 [F. No. 3/23/83-NS] [L]

2. Omitted for " (ix) The legal heir or the nominee, as the case may be, has not made any claim, or has not already been given the benefit under this rule in respect of any other account, or in respect of a 5-year Post Office Cumulative Time Deposit account, held by the same depositor. ", vide " POST OFFICE RECURRING DEPOSIT RULES, 1981" Dt.7th February 1986 Published in Ministry of Finance (Department of Economic Affairs), Noti. G.S.R. 95(E), dated February 7, 1986, published in the Gazette of India, Extra., Part II, Section 3(i), dated 7th February 1986 pp. 2-3 [F. No. 3/23/83-NS] [L]

3. Substituted for " (2) If a depositor or a surviving depositor, as the case may be, has more than one account of the denominations not exceeding twenty rupees, the benefit of payment under this rule shall be available in respect of only that account which may be specified by the depositor or surviving depositor, as, the case may be. Such depositor may change the option and specify another account, if he so desirable, by an application to the Post Office Saving Bank where the account is held. If no such account has been specified by such depositor, has benefit of payment shall be admissible in respect of the earliest account of the denomination of twenty rupees, if any. which qualifies for payment and if there is no such account of the denomination of twenty rupees, than in respect of any one of the earliest accounts of the denominations of fifteen rupees, ten rupees and five rupees which qualifies for payment. ", vide " POST OFFICE RECURRING DEPOSIT RULES, 1981" Dt.7th February 1986 Published in Ministry of Finance (Department of Economic Affairs), Noti. G.S.R. 95(E), dated February 7, 1986, published in the Gazette of India, Extra., Part II, Section 3(i), dated 7th February 1986 pp. 2-3 [F. No. 3/23/83-NS] [L]
4. Substituted for "Office of the National Savings Commissioner, Nagpur ", vide " POST OFFICE RECURRING DEPOSIT RULES, 1981" Dt.15th April, 1988 Published in Ministry of Finance (Department of Economic Affairs), Noti. No. G.S.R. 458(E), dated April 15, 1988, published in the Gazette of India, Extra., Part II, section 3(i), dated 15th April, 1988, pp. 2-3 [No. F. 7/2/87-NS. II] [L]
5. Omitted for "in respect of any other account including a 5-year Post Office Cumulative Time Deposit account, ", vide " POST OFFICE RECURRING DEPOSIT RULES, 1981" Dt.7th February 1986 Published in Ministry of Finance (Department of Economic Affairs), Noti. G.S.R. 95(E), dated February 7, 1986, published in the Gazette of India, Extra., Part II, Section 3(i), dated 7th February 1986 pp. 2-3 [F. No. 3/23/83-NS] [L]

14. Withdrawal :-

- (1) Subject to the provisions of subrules (2) to (7), where an account has not become a discontinued account under sub-rule (2) of rule 7. one. withdrawal not exceeding fifty per cent of the deposits made in the account may be allowed after the account has been in operation for at least one year and twelve monthly deposits have been made in the account.
- (2) The amount of such withdrawal shall be a multiple of five rupees. It may be repaid, at any time during the currency of the account, in one lump sum or in equal monthly instalments.
- (3) Simple interest at the rate specified below shall be payable by the depositor :

(a) For withdrawal made before 1st April, 1972 6.5 per cent per annum.

(b) For withdrawal made during the period from 1st April, 1972 to 1st March. 1975 7.2 per cent per annum.

(c) For withdrawal made the period, from 1st April, 1975 to 31st January. 1977 9.6 per cent per annum.

(d) For withdrawal made on or after 1st February, 1977 12 per cent per annum.

¹ (f) For withdrawals made on or after 1.1.2005, 2 per cent, over and above the interest rate applicable to the deposits made for a period of five years under the Post Office Time Deposit Rules, 1981, on the date of withdrawal.

(4) In the case of repayment in one lump sum, interest at the rate specified in sub-rule (3) shall be calculated on the amount of withdrawal for full calendar months from the month of withdrawal to the month of repayment irrespective of the date on which the amount is withdrawn or repaid. If the repayment with interest is made on or before the 10th of a month, no interest shall be payable for that month.

(5) In the case of repayment in equal monthly instalments the amount of each instalment shall be a multiple of five rupees and the number of instalments shall not exceed the number of months remaining for maturity of the account or the post-maturity period for which the account is continued under rule 10 and 11. The interest at the rate specified in sub-rule (3) shall be calculated on the amount remaining unpaid at the end of each month from the month of withdrawal and the total amount of such interest shall be payable in lump sum along with the last instalment of repayment of the amount withdrawn or in the month next following the month in which the last instalment of the amount withdrawn is repaid.

(6) During the maturity period of an account or its extension under sub-rule (1) of rule 7 or sub-rule (1) of rule 10, the monthly instalments of repayment of withdrawal, if any, shall be payable along with the monthly deposits. If an account is continued beyond the maturity period without any fresh deposits under sub-rule (1) of rule 11, monthly instalments of repayment or withdrawal, if any, may be paid during the period of such continuance.

(7) Where, for any reason, the amount of withdrawal or a part thereof has not been re-paid, or the interest thereon has not been paid, by the depositor before the closure of the account, any outstanding amount due from him in this behalf shall be recovered from the amount payable to him or to his nominee or legal heir, as the case may be on the closure of the account.

1. In Rule 14, in sub-rule (3), the following item shall be inserted, by the Post Office Recurring Deposit (Amendment) Rules, 2004

14A. Mode of payments :-

1 All transactions of recoveries, withdrawals, repayments, etc. under these rules shall be rounded off to the nearest rupee and for this purpose any amount of 50 paise or more shall be treated as one rupee and any amount less than 50 paise shall be ignored."

1. Inserted by Post Office Recurring Deposit (Second Amendment) Rules, 2003

15. Procedure on the minor attaining majority :-

(1) A minor on whose behalf an account has been opened may on his attaining majority

(a) continue the account for full maturity period or maturity period as extended under sub-rule (1) of rule 7 or for a further period under rule 10 or rule 11. as the case may be; or

(b) if he does not continue the account any longer. claim proportionate amount as specified in sub-rule (2) of rule 9 on expiry of maturity period, or the amount due under sub-rule (2) of rule 10 or subrule (2) of rule 11, as the case may be.

(2) For purpose of clause (a) of sub-rule (1) the ex-minor shall give a declaration, as follows : "I hereby declare that the Post Office Savings Bank General Rules, 1981 and the Post Office Recurring Deposit Rules. 1981 have been read by/to me and that I accept the said rules and all such amendments thereto as may be issued from time to time as binding on me."

16. Repeal and Saving :-