

POST OFFICE TIME DEPOSIT RULES, 1981

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POST OFFICE TIME DEPOSIT RULES, 1981

C.S.R. 664(E). 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 Time 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 Time Deposit Account:

¹(aa) "banking company" means a company as defined in Section 5 of the Banking Regulation Act, 1949 (10 of 1949);

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(ab)****

(ac) "corporation" means a corporation established by under any law for the time being in force;"regimental fund" means any fund established by the armed forces of the Union for the welfare of the retired or serving members of such force and their dependents

(b) "year" means a year commencing on the date of deposit in an account ;

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

1. Inserted vide " POST OFFICE TIME DEPOSIT RULES, 1981" Dt.23rd December, 1987 Published in Ministry of Finance (Department of Economic Affairs), Noti. No. G.S.R. 1005(E), dated December 23, 1987, published in the Gazette of India. Extra., Part II, Section 3(i), dated 23rd December, 1987, p. 2 [F. No. 7/20/85-Ns] [L]

2. In Rule 2, clause (ad) shall be omitted by the Post Office Time Deposit (Amendment) Rules, 2005

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. Types of accounts and matters connected therewith :-

(1) There shall be four kinds of accounts, namely, 1-year account, 2-year account, 3-year account and 5-year account in which deposits can be made for a period of one year, two years, three years and five years respectively.

(2) The types of accounts which may be opened, the persons by whom such accounts may be opened and operated and other matters connected therewith shall be as specified in the Table below, namely :

TABLE	Type of Account	Who may open	Number of accounts that may be opened	Who may operate the account
(1)	(2)	(3)	(4)	A. INDIVIDUAL ACCOUNTS
1.	Single Account.	(a) A person who has attained the age of majority and who is of sound mind (hereinafter referred to as an adult)	One or more accounts	The adult. An illiterate, blind or otherwise physically handicapped adult may operate on his account through a literate agent nominated by him for the purpose. (b) A minor who has attained the age of 10 years. One or more accounts
		The minor.	(c) A guardian on behalf of a minor. One or more accounts on behalf of each minor.	The guardian during the minority of the minor and thereafter, the ex-minor. (d) (i) A guardian of a person of unsound mind. One or more accounts on behalf of each person of unsound mind. The guardian. (ii) Superintendent of Mental Hospital where a person of unsound mind is confined. One or more accounts on behalf of each person of unsound mind. The superintendent of the Mental Hospital.
2.	Joint account	(a) A-Type, that is to say, payable to both jointly or to survivor.	Two adults. One or more accounts.	Both the depositors jointly or survivor. (b) B-Type, that is to say, payable to either of the depositors or survivor. Two adults. One or more accounts. Either of the depositors or survivor. ¹

1. In Rule 4, in sub-rule (2), in the Table, the headings B to D, all items thereunder and the entries relating thereto shall be omitted by the Post Office Time Deposit (Amendment) Rules, 2005

5. Deposit and Repayment :-

(1) The amount of each deposit in an account shall be a multiple of ¹ [two hundred rupees] . There is no maximum limit for the amount of deposit or deposits that may be made in such account.

(2) Each deposit shall be repayable only after the expiry of the period for which it is made, namely, one year, two years, three years or five years, as the case may be.

(3) The repayment of a deposit under sub-rule (2) or payment of interest on a deposit under rule 7 or rule 8 or rule 9, as the case may be, shall be made by the Post Office Savings Bank at which the account stands, on the production of the pass book accompanied by a written application: Provided that such repayment or payment of interest, as the case may be, shall not be made by an Extra Departmental Sub Savings Bank or Branch Savings Bank except with prior sanction of the relevant Head Savings Bank or relevant Sub Savings Bank.

(4) The amount of repayment of a deposit and payment of interest on a deposit shall be entered in the pass book over the signature of the Postmaster.

1. Substituted for the words "fifty rupees" by Post Office Time Deposit (Second Amendment) Rules, 2003.

6. Re-deposit :-

(1) Where a deposit in an account has become due for repayment, the depositor may re-deposit the amount in the same account or another account, as the case may be, tendering his application for withdrawal of the original deposit in the Prescribed form duly discharged.

(2) Subject to sub-rule (3), the date of re-deposit shall be the date of withdrawal of the original deposit.

(3)

(a) Where the re-deposit is made during the period specified in column (1) of the Table below and such re-deposit is for the period specified in the corresponding entry in column (2) thereof, the date of re-deposit shall be deemed to be same as the date of maturity of the original deposit. TABLE Period elapsed between the date of maturity and the date of re-deposit \Minimum period of re-deposit (1) \ (2) 1. 6 months or less. 2. More than 6 months and upto 12 months. 3. More than 12 months and upto 18 months 4. More than 18 months. \1 year 2 years 3 years 5 years

(b) In the case of a re-deposit falling under item 4 of the Table, if more than thirty months have elapsed after the maturity of the original deposit, the date of re-deposit shall be deemed to be the date preceding the date of withdrawal of the original deposit by thirty months.

7. Interest :-

The deposit shall carry interest at the rate specified in the Tables below and such interest shall be payable to the depositor at the end of each year in the period of deposit: Provided that in the case of a deposit made before 23rd July, 1974, the rates of interest notified prior to that date by the Central Government from time to time for such deposit shall be applicable for the period of deposit upto and inclusive of the '22nd July, 1974 and the rates of interest specified in Table A below shall be applicable for any remaining period of deposit commencing from the 23rd July, 1974. TABLE A For deposits made before the 1st March, 1978 Period of deposit \Rate of interest per annum 1 year 2 years 3 years 5 years \8 per cent 8 1/2 per cent 9 per cent 10 per cent TABLE B For deposits made on or after the 1st March, 1978 but before the 1st October, 1979 Period of deposit \Rate of interest per annum 1 year 2 years 3 years 5 year \7 per cent 7 1/2 per cent 8 per cent 10 per cent TABLE C For deposits made on or after the 1st October, 1979 but before the 2nd March, 1981. Period of deposit \Rate of interest per annum 1 year 2 years 3 years 5 years \8 per cent 8 1/2 per cent 9 per cent 10 1/2 per cent ¹TABLE D (For deposits made on or after the 2nd March, 1981 but before the 1st April 1982).

Period of deposit	Rate of interest per annum
1 Year	8 1/2 per cent
2 Years	9 1/2 per cent
3 Years	10 1/2 per cent
5 Years	10 1/2 per cent

*As corrected vide G.S.R. 617(E), dated 11-10-1982, published in the Gazette of India, Extra., Part II, Section 3(i) dated 20-10-1982, p. 2 [No. F. 2/7/82-NS] ² ["TABLE E (For deposits made on or after the 1st April, 1982 but before the 1st March, 1983)

Period of deposit \	Rate of interest per annum
1 year \	9 per cent
2 years \	9 3/4 per cent
3 years \	10 1/2 per cent
5 years \	10 1/2 per cent

TABLE F (For deposits made on or after the 1st March, 1983)

Period of deposit \	Rate of interest per annum
1 year	9 per cent
2 years	9 3/4 per cent
3 years	10 1/2 per cent
5 years \	11 1/2 per cent

Note.- For deposits made on or after the 1st October, 1979, interest will be payable at the

rates specified in Table C or Table D or Table E or Table F, as the case may be, calculated at half-yearly rest."] TABLE M (For deposits made on or after the 1st January, 1999 but before 15th January, 2000) TABLE N (For deposits made on or after the 15th January, 2000) Note-(1) For the deposits made on or after 1st October, 1979 and before 24th April 1992, interest will be payable at the rate specified in Table C or Table E or Table F or Table G or Table H or Table I or Table J or Table K, as the case may be calculation at half yearly compounding basis (2) For deposits made on or after the 24th April, 1992, interest will be payable at the rates specified in Table K or Table L or Table M or Table N, as the case may be, calculated at quarterly compounding basis. TABLE O (For deposits made on or after the 1st March, 2002) TABLE P (For deposits made on or after the 1st March, 2002)

1. Substituted for "TABLE D For deposits made on or after the 2nd March, 1981 Period of deposit \Rate of interest per annum 1 year \8 1/2 per cent 2 years \9 1/2 per cent 3 years \10 1/2 per cent 5 years \10 1/2 per cent Note : For deposits made on or after the 1st October, 1979, interest will be payable annually at the rates specified in Table C or Table D, as the case may be, calculated at half-yearly rest. ", vide " POST OFFICE TIME DEPOSIT RULES, 1981" Dt.1st April, 1982 Published in Ministry of Finance (Department of Economic Affairs), Noti. No. G.S.R.300(E), dated April 1, 1982, published in the Gazette of India, Extra., Part II, Section 3(i), dated 1st April, 1982, pp. 427-28 [No. 2/7/82-NS (i)] [C]
2. Substituted for "TABLE E (for deposits made on or after the 1st April 1982)

Period	of	deposit	Rate	of	interest	per	annum
1 Year	9 per cent	2 Years	9 3/4 per cent	3 Years	10 1/2 per cent	5 Years	10 1/2 per cent

Note:-For deposits made on or after the 1st October, 1979, interest will be payable at the rates specified in Table C or Table D or Table E, as the case may be, calculated at half-yearly rest.", vide " POST OFFICE TIME DEPOSIT RULES, 1981" Dt.11th March, 1983 Published in Ministry of Finance (Department of Economic Affairs), Noti. No. G.S.R. 257(E), dated March 11, 1983, published in the Gazette of India, Extra., Part II, Section 3(i), dated 11th March, 1983, pp. 1-2 [No. F. 2/7/83-Ns(i)]

8. Premature withdrawal :-

Premature withdrawal of a deposit may be allowed subject to the following conditions, namely :

- (a) No deposit may be withdrawn before the expiry of one year from the date of deposit.
- (b) Where a deposit in a 2-year, 3-year or 5-year account is withdrawn prematurely, interest on such deposit shall be payable to the depositor for the completed years and months falling in the period commencing on the date of deposit and ending with the date of withdrawal and such interest shall be calculated at the rate which shall be two per cent less than the rate specified for a deposit of 1 year, 2 years or 3 years, as the case may be, in the concerned Table under rule 7. Explanation : Where the completed years and months in the case of a deposit in a 5-year account exceed 3 years, such interest shall be calculated at the rate which shall be two per cent less than the rate specified for a deposit of 3 years in the concerned Table under rule 7.
- (c) Any interest already paid on the deposit under rule 7 shall be recovered from the amount of repayment of deposit and the interest payable under this rule.

9. Post-maturity interest :-

Where repayment of a deposit under rule 7 has become due but has not been made, ¹["interest shall be allowed on the amount due"] for a maximum period of two years from the date of maturity to the date of repayment of the deposit subject to the following conditions, namely :

- (a) The interest shall be simple and shall be calculated at the rate applicable, from time to time, to savings accounts of the type of single or joint account.
- (b) For the purpose of payment of interest, any part of the period which is less than one

month shall be ignored.

(c) The interest shall be paid to the depositor in a lump sum at the time of ² ["repayment of the amount due"].

1. Substituted for "interest shall be allowed on the deposit ", vide " POST OFFICE TIME DEPOSIT RULES, 1981" Dt.9th July, 1984 Published in Ministry of Finance (Department of Economic Affairs), Noti. No. G.S.R. 502(E), dated July 9, 1984, published in the Gazette of India, Extra., Part, II, Section 3(i), dated 9th July, 1984, pp. 2-3 [No. F. 2/ 26/83-NS] [L]

2. Substituted for "repayment of deposit", vide " POST OFFICE TIME DEPOSIT RULES, 1981" Dt.9th July, 1984 Published in Ministry of Finance (Department of Economic Affairs), Noti. No. G.S.R. 502(E), dated July 9, 1984, published in the Gazette of India, Extra., Part, II, Section 3(i), dated 9th July, 1984, pp. 2-3 [No. F. 2/ 26/83-NS] [L]

10. Pledging of Accounts :-

(1) Subject to sub-rules C2) to (7), on an application being made in the prescribed form by the transferor and the transferee, the officer in charge of the Post Office Savings Bank where an account of the transferor stands, may at any time. during the currency of the account, permit transfer of the account as security to

(a) the President of India or Governor of a State in his official capacity;

(b) the Reserve Bank of India or a scheduled bank or a co-operative society including a co-operative bank ;

(c) a corporation or a Government company ; or

(d) a local authority,

(2) Transfer under sub-rule (1) shall be permitted only in respect of the whole account and not for a part of it.

(3) Transfer of u account opened on behalf of a minor shall be permitted only if his guardian certifies that the minor is alive and the transfer is for the benefit of the minor.

(4) When an account is transferred under sub-rule (1), the Post Office Savings Bank shall make the following endorsement below the entry of the last deposit in the pass book and also in the page of this pass-book where the name and address of the depositor are written, namely :- "Transferred as security to....."

(5) Except as otherwise provided in the relevant rule, the transferee of an account under this rule shall, until it is re-transferred under sub-rule (6) be deemed to be the holder of the account.

(6) An account transferred under sub-rule (1), may, on the written authority of the pledgee, be re-transferred with the previous sanction of the authorised Postmaster and when such re-transfer to made, the Post Office Savings Bank shall make the following endorsement in the pass book at the places indicated in sub-rule (4), namely: "Re-transferred to....."

(7) The pass book shall be presented by the depositor or the transferee, as the case -may be, to the Post Office Savings Bank for purpose of making endorsement under sub-rule (4) or (6). NOTE 1 : A Gazetted Officer of the Government accepting an account as security under sub-rule (1) or releasing the security under sub-rule (6) on behalf of the President of India or the Governor of a State shall certify that he 'is duly authorised under article 299 of the Constitution to execute such instruments or deeds on behalf of the President of India or the Governor of the State, giving the particulars of the number and date of the notification of the Government authorising him in this behalf. NOTE 2 : An officer of the Reserve Bank of India or a sche- duled bank or a co-operative society including a co-operative bank, a corporation or a Government company or a local authority as the the case may be, accepting an account as security under sub-rule (1) or releasing the security under sub-rule

(6) on behalf of the respective institution, shall certify under his dated signature and seal of office that he is duly authorised under the articles of the said institution to execute such instruments or deeds on its behalf.

11. Procedure on the death of the depositor :-

(1) Subject to sub-rules (2) and (3), on the death of the depositor in a single account or of the surviving depositor in a joint account, the procedure specified in R.13 of the Post Office Savings Bank General Rules, 1981 shall apply.

(2) If there are not more than two surviving nominees or legal heirs, they may, at their option, continue the account and receive any outstanding amount of deposits and interest in the manner provided for in these rules, as if they had opened the account themselves.

(3) Where the account is not continued under sub-rule (2), it shall be closed and any deposit outstanding in the account shall be repaid with interest and such interest shall be allowed for the period for which the deposit has remained with the Post Office Savings Bank and the rate of such interest will, notwithstanding anything contained in rule 8, be-

(i) as specified under rule 7, for the completed years not exceeding the period for which the deposit was made; and

(ii) for any period thereafter in completed months upto a maximum of twenty-four months from the date of maturity, as specified from time to time for savings accounts of the type of single or joint account. Note : Any interest already paid on the account under rule 7 shall be recovered from the repayment of deposit and payment of interest under this sub-rule

(4) On the death of one of the depositors in a joint account, the surviving depositor shall be treated as the sole owner of the account and he may continue the account or deal with it in the manner specified under sub-rule (3).

(5) On the death of the guardian of a minor or lunatic depositor, who opened the account, the new guardian may deal with the account in the manner specified under sub-rule (3) if the same is required in the interest of such depositor.

12. Repeal and saving :-

(1) "Post Office (Time Deposits) Rules, 1970 are hereby repealed.

(2) Notwithstanding such repeal anything done or any action taken under the rules so repealed, shall be deemed to have been done or taken under the corresponding provisions of these rules or the Post Office Savings Bank General Rules, 1981.