

F.No.116-12/2016-SB
Government of India
Ministry of Communication
Department of Posts
(F.S. Division)

Dak Bhawan, New Delhi-110001

Dated :-14 /02/2020

To,
All Head of Circles,
Addl. Director General, APS, New Delhi

Subject:-Amendments to procedural rules relating to National Savings Certificates/NSC-VIII Issue schemes in POSB(CBS) Manual in the light of recent changes circulated vide SB Order 13/2019 dated 18.12.2019.

Sir/Madam,

The undersigned is directed to inform that MoF(DEA) has revised many statutory rules relating to different National Savings Schemes which were circulated vide SB order 13/2019 dated 18.12.2019. The competent authority has now approved to change relevant procedural rules and issue corrections slips of POSB(CBS) Manual [circulated vide SB Order No.9/2018 dated 17.7.2018].

2. Accordingly, the corrections relating to National Savings Certificates /NSC-VIII Issue schemes are given below:-

Correction slips for National Savings Certificates in POSB (CBS) Manual

Rule 155(6):- Add sub rule (7) below this sub rule:-

(7) Registration of nomination is mandatory from date of receipt of SB order 13/2019 dated 18.12.2019. Procedure laid down for registration, cancellation or variation of nomination for other schemes shall also be applicable to National savings Certificates.

Rule 158(1):- Add sub rule (1A) below this sub rule:-

(1A) From date of receipt of SB order 13/2019 dated 18.12.2019, following rules shall apply for transfer of certificates from one holder to another:-

An account may be transferred from one individual to another, subject to the condition that the transferee is eligible to open an account under this Scheme, in the following cases, namely:-

- (i) on the death of account holder in case of a single account or on the death of all the account holders in a joint account, the amount shall be transferred to the legal heirs or the nominees as the case may be.
- (ii) on the order of the court, the account shall be transferred from the account holder to the court or to any other individual as per the orders of the court;
- (iii) on pledging, account shall be transferred in accordance with paragraph 6;
- (iv) in the event of the death of any of the account holders in a joint account, the account shall be transferred in the name of the surviving account holder or account holders, as the case may be.

Rule 159(6):- Add sub rule (7) below this sub rule:-

(7) From date of receipt of SB order 13/2019 dated 18.12.2019, below rules shall apply for pledging of certificates:-

(i) An Account may be pledged or transferred as security, on an application made by the depositor in Form-3 supported with acceptance letter from the pledgee.

(ii) Transfer of an account under this paragraph may be made to-

- (a) the President of India or the Governor of a State in his official capacity;
- (b) the Reserve Bank of India or a Scheduled Bank or a Cooperative Society, including a Co-operative Bank;
- (c) a public or private corporation or a Government company;
- (d) a local authority; or
- (e) a housing finance company approved by the National Housing Bank and notified by the Central Government:

Provided that the transfer of an account opened on behalf of a minor or a person of unsound mind shall not be permitted under this rule unless the guardian of the minor or the person of unsound mind, as the case may be, certifies in writing that the minor or the person of unsound mind, as the case may be, is alive and that the transfer is for the benefit of the minor or the person of unsound mind.

(iii) When any account is transferred as security under sub-paragraph (1), the authorized officer shall make the following endorsement in the record of the Account, including the Savings Certificate, namely:-

“Transferred as security to” .

(iv) Except as otherwise provided in this scheme, the transferee of an account under this paragraph shall, until it is transferred back under sub-paragraph (5), be deemed to be the depositor.

(v) An account transferred under this paragraph may, on written authority of the transferee, be re-transferred back with the previous sanction in writing of the authorized officer and when any such retransfer is made, the authorized officer of the accounts office shall make the following endorsement in the record of the account, including Certificate, namely:-

“transferred back to.....” .

(vi) A blind or a person with physical infirmity making him incapable of operating the account may pledge his deposit through any literate individual whom he authorizes for this purpose.

FORM - 3

(Application for pledging of account)

To

The Postmaster/Manager

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Sir,

1. I/We am/are required to deposit an amount of Rs. as security with (official designation of the gazetted officer of the Government or name of the Reserve Bank of India or a Scheduled Bank, Cooperative Bank, Registered Cooperative Society, Corporation, A Government Company or Local Authority). I/We therefore request you to transfer the deposit in Account Number _____ under National Savings Certificates (VIII issue) as security in favour of (Official Designation of the Officer or name of the Branch etc to whom the Account is being pledged as security.)