

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 Time Deposit 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 Time Deposit Schemes are given below:-

Correction Slips for National Time Deposit Accounts in POSB(CBS) Manual

Rule 88(1):- This sub rule to be replaced with below text:-

CATEGORIES OF ACCOUNTS:- (1) There shall be four categories of time deposit accounts, namely, One-year account, Two-year account, Three-year account and Five-year account in which a deposit may be made for a period of one year, two years, three years and five years respectively. From 12.12.2019, the deposit in the account shall be minimum of Rs.1000/- and in multiple of Rs.100/-.

Rule 88(2):- This sub rule to be replaced with below text:-

88(2) Types of accounts

(i) an account may be opened by-

- (a) a single adult; or
- (b) upto a maximum of three adults in joint names
- (c) a minor who has attained the age of ten years
- (d) a guardian on behalf of a minor or a person of unsound mind

(ii) On the basis of mode of operation, Joint Accounts shall be of two types, namely:-

- (a) **Joint 'A' type**, to be operated by all the depositors or the surviving depositors jointly.
- (b) **Joint 'B' type**, to be operated by any of the depositors or the surviving depositors severally.

Rule 91(3):- This sub rule to be replaced with below text:-

If the date of payment of interest falls on a non-working day, the payment shall be deemed to be due on the working day immediately preceding. No additional interest shall be payable on the amount of interest that has become due for payment but not withdrawn by the account holder.

Rule 94 :- This rule to be replaced with below text:-

Extension of Account.-(1) Where a deposit in an account has become due for repayment, the account holder may at his option by making an application to the accounts office in Form-3 may further extend the account for another tenure for which the account was initially opened.

(2) Where an extension is made under sub rule (1), the option for extension shall be exercised as specified in the table below:

TABLE

S. No.	Category of the account	Period from date of repayment by which option for extension may be exercised.
(1)	(2)	3
1.	One-year	Six months
2.	Two-year	Twelve months
3.	Three-year	Eighteen months
4.	Five-year	Eighteen months

(3) Where option of extension of deposit is exercised within the period specified in sub-rule(2), interest applicable to the category of account under the Scheme on the date of maturity of original deposit shall be payable.

(4) The account holder shall be allowed to extend the account as per sub-paragraph (2) only twice after the initial repayment date.

(5) Option to extend the account as per sub-paragraph (1), may be exercised by the account holder at the time of opening of the account also. However, the account holder may revoke the option to extend the account any time before the date of repayment.

FORM - 3

(Application for extension of account)

To,
The Postmaster/Manager

.....
.....

Sir,

1. I/We _____ am/are depositor of Account Number _____ under National Savings Time Deposit Scheme for 1/2/3/5 years in your office. The said account was opened on _____ and has/will mature on _____ for payment. We hereby request for extension of the account for a further period of _____ year(s) (as per paragraph 6 of Scheme rules) from the date of maturity of the above said account.

2. I/We have understood the terms and conditions applicable to the account during the period of extension under the said scheme as amended from time to time and shall abide by them.

Place:

Date:

Signature of the account holder(s)/guardian
Name and Address

For the use of Accounts Office

The account no..... which was opened on with Rs.....
(Rupees.....) under (Name of scheme) and matured on
....., has been extended for a period of _____ years with effect from to
.....underparagraph 6 of NSTD Rules 2019.

Necessary entries have been made in the records and pass book/deposit receipt/ statement of account.

Place:

Date:

Signature of Postmaster/Manager

Seal/Stamp

Rule 95:- This rule to be replaced with below text:-


An account which has matured but not closed, the amount invested in the account shall continue to earn interest at the rate applicable to the Post Office Savings Account, till the closure of the account.

Rule 96(2)(a):- This sub rule to be replaced with below text:-

The rate of interest on such deposit shall be payable to the depositor for the completed years and months from the date of deposit to the date of closure and such interest shall be (1) percent 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 of POTD Rules, 1981.

Provided that from the date of receipt of SB Order 13/2019 dated 18.12.2019, where a deposit in a two-year, three-year or five-year account is withdrawn prematurely after the expiry of one year from the date of deposit, interest on such deposit shall be payable to the account holder for the completed years and months, 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 less by two (2) per cent. points than the rate specified for a deposit of one-year, two-year or three-year, as the case may be and interest for the completed year shall be calculated on quarterly compounding basis in accordance with the provisions of paragraph 7 of NSTD Rules 2019, and for any part of a year, interest shall be payable as per provision of sub-paragraph (b) of paragraph 8 of NSTD Rules 2019.

3. It is requested to circulate these corrections to all concerned for information and guidance and necessary action.
4. This issues with the approval of Competent Authority.


(Devendra Sharma)
Assistant director (SB)