NATIONAL SAVINGS SCHEME RULES, 1987

[Issue vide Government of India, Ministry of Finance (DEA) Notification No.GSR 335(E) dated 30.3.1987 and further amended from time to time] Scheme discontinued w.e.f. 1.10.1992

G.S.R.335 (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 National Savings Scheme Rules, 1987
   (2) They shall into force on the 1st day of April, 1987

2. Definitions:- In these rules ,unless the context otherwise requires :
   (a) “Account” means a savings account opened by a depositor in according 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 Territory of Dadra and Nagar Haveli and the Union territory of 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 authorized 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) The words and expressions used herein and not defined but defined in the Post Office Savings Bank General Rules, 1981 ,shall have the meanings respectively assigned to them in those rules.


4. Opening of Account: - A depositor may open not more than one account under the scheme.

5. Deposits and withdrawals: - (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 total deposits in a year shall not exceed forty thousand rupees

   [MOF (DEA) Notification No. GSR 988(E) dated 20.12.1990]
(4) Withdrawal will be permitted only once in a year provided that the amount of such withdrawal shall not exceed the balance at the end of the fourth proceeding financial year, less withdrawals, if any, already made.

(5) No deposits shall be made under the Scheme on or after the 1st day of April, 1992 provided that the deposits made on or after 1st day of April 1992 and before the 1st day of October, 1992 may either be withdrawn by the depositor or transferred at his option to the account opened by him under the National Savings Scheme, 1992.

[Rule amended vide MOF (DEA) Notifications No. GSR 597(E) dated 22.6.1990 and No. GSR 762(E) dated 15.9.1992]

(6) Interest on deposits:-(1) All deposits made in accordance with the scheme shall bear interest at such rate as may be notified by the Central Government in the Official Gazette from time to time.

Provided that where the deposits made on or after the 1st day of April, 1992 and before the 1st day of October, 1992 are withdrawn in accordance with the provisions of sub-rule (5) of rule 5, the interest on such withdrawal shall be at the rate of 5.5 per cent per annum and where the depositor opts to transfer the said deposits to the account opened by him under the National Savings Scheme, 1992, the interest on such deposits shall be at the rate of 11 percent per annum.

[MOF (DEA) Notification NO GSR 762(E) dated 15.9.1992]

(2) The interest notified under sub-rule (1) shall be allowed for a calendar month of 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.

(3) 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.

7. 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 initialed by an authorized official of the post office.

(2) The Pass Book shall ordinarily be presented for all deposits and withdrawals.

8. 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 at his credit.

9. Closure of account: - The closure of the account will be permitted on expiry of three years from end of the year in which the last deposit was made, provided that in the event of death of account holder, account may be closed at any time after his death.

10. Power to relax: - Where the Central Government is satisfied that the operation of any of the provisions in 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.