

## **POST OFFICE SAVINGS BANK GENERAL RULES, 1981**

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## **POST OFFICE SAVINGS BANK GENERAL RULES, 1981**

G.S.R. 662(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, application and commencement :-**

(1) These rules may be called the Post Office Savings Bank General Rules, 1981.

(2) They shall be applicable to the following accounts in the Post Office Savings Bank, namely :

(a) Savings Account.

(b) Cumulative Time Deposit Account.

(c) Recurring Deposit Account.

(d) Time Deposit Account.

(3) 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 Savings Account, a Cumulative Time Deposit Account, a Recurring Deposit Account count or a Time Deposit Account;

(b) "authorised" means authorised by the Director General, Posts and Telegraphs;

(c) "balance" means the balance at credit of an account:

(d) "Branch Savings Bank" means a Branch Post Office which is functioning also as a Savings Bank;

(e) "Cumulative Time Deposit Account" means an account opened under the Post Office Savings Bank (Cumulative Time Deposit) Rules, 1959 or under the Post Office Cumulative Time Deposit Rules, 1981;

(f) "Extra Departmental Sub Savings Bank" means a Sub Savings Bank in charge of a part-time employee;

(g) "Form" means a form appended to these rules;

(h) "guardian" in relation to a minor or a person of unsound mind means

(i) either father or mother ; and

(ii) where neither parent is alive or is capable of acting, a person entitled under the law for the time being in force to have the care of the property of the minor, or as the case may be, the person of unsound mind ;

(i) "Head Postmaster" means an officer in charge of a Head Saving Bank and includes a Deputy Postmaster or a Assistant Postmaster to whom the powers of the Head Postmaster have been delegated;

(j) "Head Saving Bank" means a Head Post Office which is functioning also a Savings Bank but does not include a Head Post Office declared by the Director General, Posts and Telegraphs to be Sub Savings Bank:

(k) "joint account" means an account opened by two adults or three

adults, as the case may be, in their names;

(l) "Post Office Savings Bank" means a Head Savings Bank and includes a Sub or Branch Savings Bank:

(m) "prescribed" means prescribed by the Director General, Posts and Telegraphs;

(n) "Recurring Deposit Account" means an account opened under the Post Office (Recurring Deposits) Rules, 1970 or under the Post Office Recurring Deposit Rules, 1981 ;

(o) "Relevant Head Savings Bank", in relation to an account, means the Head Savings Bank in which the account stands or to which the Savings Bank where the account stands, is subordinate ;

(p) "relevant rule" means a rule under these rules, the Post Office Savings Account Rules, 1981, the Post Office Time Deposit Rules, 1981, the Post Office Recurring Deposit Rules, 1981 or the Post Office Cumulative Time Deposit Rules, 1981;

(q) "relevant Sub Savings Bank", in relation to an account, means the Sub Savings Bank in which the account stands or to which the Savings Bank where the account stands is subordinate;

(r) "Savings Account" means an account opened under the Post Office Savings Bank Rules, 1981, or under the Post Office Savings Banks Rules, 1965, or under the Post Office Savings Account Rules 1981;

(s) "Savings Certificate" means a certificate issued under the Government Savings Certificates Act 1959 (46 of 1959);

(t) "single account" means an account opened by or on behalf of an individual person in his name:

(u) "Sub Savings Bank" means a Sub-Post Office which is functioning also as a Savings Bank and includes a Head Post Office declared by the Director for General to be a Sub Savings Banks, but does not include an Extra-Departmental Sub Savings Bank;

(v) "Time Deposit Account" means an account opened under Post Office (Time Deposits) Rules 1970 or under the Post Office Time Deposit Rules, 1981.

### **3. Opening of an account :-**

(1) A depositor desiring to open an account in a Post Office Savings

Bank may make an application to it in Form 1.

**1**

"(2) Non-Resident Indians (NRIs) are not eligible to open an account in a Post Office Savings Bank : Provided that if a resident who opened an account in any Post Office Savings Bank, subsequently becomes Non-Resident Indian during the currency of maturity period, may continue such account till its maturity on a Non-Repatriation Basis."

1. Inserted by "The Post Office Savings Bank General (Amendment) Rules, 2003" Gazette of India, Extra., Part II, Section 3(i), dated 25th July 2003, p. 2, No. 341 .

#### **4. Place of deposit :-**

(1) In the case of an account standing at a Head Savings Bank a deposit may be made at the Head Savings Bank or at any of its Sub Savings Banks.

(2) In the case of an account standing at a Sub Saving deposit may be made at the Sub Saving Bank or at the relevant Head Savings Bank or at any of its Sub- Savings Banks.

(3) In the case of an account standing at an Extra Departmental Sub-Savings Bank, a deposit may be made at the Extra Departmental Sub-Savings Bank or at the relevant Head Savings Bank ;

(4) In the case of an account standing at a Branch Savings Bank, a deposit may be made at the Branch Savings Bank or at the relevant Head Savings Bank or relevant Sub Savings Bank.

#### **5. Mode of deposit :-**

(1) Deposit in a Post Office Savings Bank may be made (i) in cash (ii) by cheque or a demand draft drawn in favour of the depositor or the Postmaster and crossed generally or specially in favour of the Post Office Savings Bank, or (iii) by surrender of Savings Stamps or Indian Postal Orders or Postal Orders issued by British authorities, and deposit in Head Savings Bank and Sub-Saving Bank may also be made by means of:-

(a) a pay order ;

(b) an income tax refund voucher or income tax refund order ;

(c) an interest warrant issued by the Reserve Bank of India or a Defence Deposit Certificate or instalments of an Annuity Certificate;

(d) withdrawal or discharge of any amount payable on an account or saving certificate held by the depositor;

(2) Each deposit shall be accompanied by a pay-in-slip in the manner prescribed and the counterfoil of the pay-in-slip shall be returned to the tenderer duly receipted.

(3) Except as specified in the Post Office Cumulative Time Deposit Rules, 1981 and the Post Office Recurring Deposit Rules, 1981, the date of credit in an account of money deposited by cheque or other instrument shall be the date of its encashment and not the date of its presentation

(4) Where a deposit is made by means of an outstation cheque or instrument, collection charges at the prescribed rate shall be payable along with the deposit.

## **6. Withdrawal :-**

(1) Withdrawal from an account at ["a Sub-Savings Bank, an Extra-Departmental Sub-Savings Bank or a Branch Savings Bank"] is subject to the availability of funds.

(2) No withdrawal except to the extent of the amount prescribed shall be allowed from an Extra Departmental Sub Savings Bank or a Branch Savings Bank without prior sanction of the relevant Head Savings Bank or the relevant Sub Savings Bank, as the case may be.

(3) In the case of an account standing at an Extra Departmental sub Savings Bank or a Branch Savings Bank, withdrawal may also be made from the relevant Head Savings Bank or the relevant Sub Savings Bank to the extent of the amount actually credited to the account in such Head or Sub Savings Bank.

(4) In the case of an account opened on behalf of a minor a person of unsound mind. a withdrawal during the minority or lunacy of the depositor shall be permitted on

(a) the guardian, or

(b) where the person of unsound mind is confined in a mental hospital, the superintendent of such furnishing a certificate in the following form : "Certified that the amount sought to be withdrawn

is required for the use of Shri/Smt./Km- who is a minor/a person of unsound mind and is alive this day".

#### **7. Identification of the depositor :-**

Identification of a depositor at the time of withdrawal under rule 6 shall ordinarily be made by verification of his signature appearing on the instrument of withdrawal with his specimen signature kept on record in the Post Office Savings Bank and in cases where identification cannot be done as aforesaid. it may be done on the basis of identity card. if any, issued to him by the Post Office or in such other manner as may be

#### **8. Pass Book :-**

(1) On opening an account, the depositor shall be given a pass book bearing the number of his account, his name, occupation or profession, address and entry of his first deposit duly initialled by an authorised official of the post office Savings Bank.

(2) It shall be the responsibility of the depositor to keep the pass book in safe custody.

(3) If the pass book is lost, stolen, destroyed or spoilt while in custody of the depositor, he shall be issued a duplicate pass book on his paying a fee of <sup>1</sup> ["ten rupees"] and on completion of such enquiries as the Post Office Savings Bank may consider necessary and no such fee shall be charged if the Head Postmaster is satisfied that the circumstances in which tile pass book was lost, stolen, destroyed or spoilt were beyond the control of the depositor.

(4) The pass book shall ordinarily be presented for all withdrawals and deposits, other than those made by a cheque, and in cases where a deposit or withdrawal is made without production of the pass book, the pass book shall be presented to the Post Office Savings Bank as soon as possible thereafter for bringing it uptodate.

(5) When the pass book is returned duly completed, the depositor shall bring the errors or omissions therein, if any, to the notice of the Post Office Savings Bank forthwith and in the event of the depositor's failure to do so, the Post Office Savings Bank shall not be responsible for any loss arising from such errors or omissions.

(6) The pass book shall, as far as possible, be collected from the Post Office Savings Bank by the depositor on the same day on

which it is presented to it under sub-rule (4) and where, for any reason, the pass book cannot be returned on the same day, the Post Office Savings Bank shall issue a receipt in lieu thereof and such receipt shall be surrendered by the depositor at the time of collecting the pass book on a subsequent date.

(7) The Post Office Savings Bank shall not be responsible for any entries in the pass book not authenticated under the initials of its authorised official.

1. In Rule 8, sub-rule (3) for the words "two rupees" shall be substituted by post office saving Bank General (Amendment) Rules, 2002, Published in the Gazette of India, Extra Part II, Section 3(i), dated 10th May, 2002, pp.1-2, No.219.

### **9. Transfer of an account :-**

A depositor may have his account transferred from one Post Office Savings Bank to another Post Office Savings Bank free of charge by making an application in the prescribed form subject to such conditions as may be prescribed.

### **10. Conversion of an account :-**

Subject to the provisions of the relevant rules relating to an account, or a written application being made by its holder or holders, as the case may be

(1) a single account in the name of an adult may be converted into a joint account in the name of the original depositor and another adult and a joint account in the names of two depositors may be converted into a single account in the name of one of the joint depositors.

(2) in the case of a savings account,

(i) a joint account in the names of three adults may be converted into a single account in the name of one of the depositors or into a joint account in the names of two adults including at least one of the original depositors;

(ii) a joint account in the names of two adults may be converted into a joint account in the names of three adults, including at least one of the original depositors ; and

(iii) a single account in the name of an adult may be converted into a joint account in the names of three adults including the original depositor.

## **11. Final withdrawal on closure. :-**

**1** Except as otherwise provided in the relevant rules, final withdrawal on closure of an account shall be allowed at the Post Offices authorised by the Director General (Posts).

1. Rule 11, shall be substituted by post office saving Bank General (Amendment) Rules, 2002, Published in the Gazette of India, Extra Part II, Section 3(i), dated 10th May, 2002, pp.1-2, No.219.

## **12. Nomination :-**

(1) Subject to the provisions of sub-rules (2) to (7), an adult opening single account or two adults or three adults opening a joint account, may by furnishing the necessary particulars in Form 1 at the time of opening the account, nominate any person or persons who in the event of death of the depositor or all the depositors, as the case may be, shall become entitled to payment of the amount due on the account and if such nomination is not made at the time of opening the account, it may be made by the depositor of a single account" or by the depositors or the surviving depositor or depositors of a joint account, at any time after the opening of the account but before its closure, by means of an application in Form 2, accompanied by the pass book, to the Post Office Savings Bank where the account stands.

(2) No nomination shall be made in respect of an account opened or to be opened by or on behalf of a minor or a person of unsound mind.

(3) A nomination made under sub-rule (1) may be cancelled or varied by the depositor of a single account or by the depositors or the surviving depositor or depositors of a joint account, by submitting an application in Form 2, affixing postage stamps of the value of one rupee to it, together with the pass book to the Post Office Savings Bank where the account stands or to the relevant Head Savings

(4) The nomination or the cancellation or variation of a nomination shall be registered in the relevant Head Savings ' Bank and the fact of registration shall be noted in the pass book and on such registration, the nomination or cancellation or variation of nomination, as the case may be, shall be deemed to be effective from the date on which it was presented.

(5) A nomination shall become void if the nominee predeceases, or

where there are two or more nominees, all the nominees predecease, the depositor.

(6) Where any nominee is a minor, the depositor or depositors making the nomination may, by furnishing the necessary particulars in Form 1 or Form 2, as the case may be, appoint the person to receive payment of the amount due on the account in the event of death of the depositor or depositors, as the case may be, during the minority of the nominee.

(7) Where an account is held by or on behalf, of any person as a pledgee or by way of security for any purpose such holding shall not have the effect of cancelling a nomination but the right of the nominee or nominees shall be subject to the right of the person so holding the account. Explanation. In this rule and in rule 13, "single account" includes a pension account and a security deposit account and "joint account" includes a security deposit account

### **13. Payment on death of depositor :-**

(1) In the event of death of the depositor of a single account or of all the depositors of a joint account, the amount due on the account shall be payable as specified in<sup>1</sup> ["sub-rules (1) to (4)"].

(2)

(a) If a nomination made under rule 12 is in force at the time of death of the depositor of a single account or the surviving depositor in the case of a joint account, the nominee or nominees surviving such depositor an application in the manner prescribed to the relevant Head Savings Bank for payment of the amount due on the account and such application shall be accompanied by proof of death, of the depositor or depositors, as the case may be, and, where any other nominee has predeceased the depositor, by proof of death of such nominee,

(b) If there is only one surviving nominee, the amount due on the account shall on his making an application as aforesaid, be payable to him.

(c) If there are two or more surviving nominee, the application as aforesaid may either be made by them jointly in which case the amount due on the account shall be payable to them jointly, or be made by each one of them separately in which case each such nominee applicant shall be entitled to receive an equal share of the

amount due on the account.

(3) Where the surviving nominee is a minor, the payment under sub-rule (2) shall be made to the person appointed under sub-rule (6) of rule 12 to receive such payment and, if there is no such person, to the guardian of the minor.

(4)

(a) If there is no nomination made under rule 12 which force at the time of death of the depositor of a single account or of the surviving depositor in the case of a joint account, the legal heir of such depositor may at any time make an application in the manner prescribed to the relevant Head Savings Bank for payment of the amount due on the account and such application shall be accompanied by a certificate under the Indian Succession Act, 1925 (39 of 25) or a probate of will or a letter of administration in support of claim to legal heirship of the applicant.

(b) The Head Postmaster, after verification of the authenticity documents produced, may make payment of the amount on the account to the applicant.

1. Substituted for " sub-rules (2) to (5)", vide " THE POST OFFICE SAVINGS BANK GENERAL RULES, 1981" Dt.13th June, 1983 Published in Ministry of Finance (Department of Economic Affairs), Noti. No. G.S.R. 483 (E), dated June 10, 1983, published in the Gazette of India, Extra., Part II, Section 3(i), dated 13th June, 1983, p. 2 [F. 8/4/81-NS] [L]

**14. Payment of amount at credit in an account held by Army, Air Force and Navy Personnel :-**

Notwithstanding any- thing contained in rule 12 and section 13 , where an account holder serving in the Army, Air Force or Navy, dies or deserts, the Commanding Officer of the Corps, department, detachment, unit or ship to which the account holder belonged, or the Committee of Adjustment, as the case may be, may send a requisition to the officer incharge of the Post Office Savings Bank where the account stands for payment of the amount due on the account to the Commanding Officer or the Committee of Adjustment; and the Officer in charge of the Post Office Savings Bank shall be bound to comply with such requisition even though there is in force at the time of death or desertion of the account holder a nomination made in favour of any person. EXPLANATION : The aforesaid requisition must be made under section 3 or section 4 of the Army and Air Force (Disposal of Private Property) Act, 1950

(40 of 1950) in the case of a person belonging to the Army or the Air Force, or under Section 171 or section 172 of the Navy Act, 1957 (62 of 1957) in the case of a person belonging to the Navy.

**15. Responsibility of the Savings Bank :-**

The Post Office Savings Bank shall not be

(a) responsible to a depositor for any fraudulent withdrawal by a person obtaining possession of the pass book or a cheque from the cheque book of the depositor;

(b) liable if any fraud takes place due to failure of the depositor to ensure that the amount sought to be withdrawn is entered in the application for withdrawal before the same is presented at or sent duly signed by him to the Post Office Savings Bank for withdrawal;

(c) responsible to a depositor, if he or, in case the withdrawal form is presented by his agent, the agent, fails to ensure that the receipt for the payment is signed by him or the agent, as the case may be, only at the time of actual payment and not at the time of presentation of the application for withdrawal.

**16. Accounts opened incorrectly :-**

(1) Where an account is found to have been opened incorrectly under a category other than the one applied for by the depositor, it shall be deemed to be an account of the category applied for if he was eligible to open such account on the date of his application and if he was not so eligible, the account may, if he so desires, be converted into an account of another category ab initio, if he was eligible to open an account of such category on the date of his application.

(2) In cases where the account cannot be so converted, the relevant Head Savings Bank may, at any time, cause the account to be closed and the deposits made in the account refunded to the depositor with interest at the rate applicable from time to time to a savings account of the type for which the depositor is eligible.

**17. Accounts opened, in contravention of rules :-**

Subject to the provisions of rule 16, where an account is found to have been opened in contravention of any relevant rule for the time being in force and applicable to the accounts kept in the Post Office Savings Bank, the relevant Head Savings Bank may, at any time, cause the account to be closed and the deposits made in the

account refunded to the depositor without interest.

**18. Recovery of amount paid in excess :-**

The Head Savings Bank shall be competent to recover any interest or any other amount paid in excess in the same manner as an arrear of land revenue.

**19. Interpretation :-**

If any question arises relating to the interpretation of any relevant rule, it shall be referred to the Central Government for a decision.

**20. Power to relax :-**

Where the Central Government is satisfied that the operation of any relevant rule causes undue hardship to the depositor or depositors of an account, 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 of the Act.