

# **How to Grow Money**

( Lessons on Financial Growth and Stability) Vol. II



Committee on Financial Markets & Investors' Protection

**The Institute of Chartered Accountants of India**

( Set up by an Act of Parliament)

# **How to Grow Money**

( Lessons on Financial Growth and Stability) Vol. II

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# <sup>1</sup>THE ALL INDIA SERVICES (PROVIDENT FUND) RULES, 1955.

In exercise of the powers conferred by sub-section (1) of section 3 of the All India Services Act, 1951 (LXI of 1951), the Central Government, after consultation, with the Governments of the States concerned hereby makes the following rules, namely:—

1. **Short title.**—These rules may be called the All India Services (Provident Fund) Rules, 1955.

## 2. **Definitions.**—

2(1) In these rules, unless the context otherwise requires:—

<sup>2</sup>(a) ‘**Account Officers**’ means the officer to whom the duty to maintain the provident fund account of the subscriber has been assigned by the Comptroller and Auditor General of India or Government, as the case may be.

NOTE:— In relation to a subscriber borne on the cadre of State or Union Territory where the provident fund accounts have not been departmentalised, the duty maintain the provident fund accounts is assigned by the Comptroller and Auditor General of India. In case of other subscribers, this duty is assigned by Government.

(b) ‘**child**’ means a legitimate child, a stepchild and shall include an adopted child if, under the personal law of the subscriber, adoption is legally recognised as conferring the status of a natural child;

(c) ‘**emoluments**’ means, except where otherwise expressly provided, pay, special pay, personal pay, leave salary or subsistence allowance and includes any remuneration in the nature of pay received by a member of the Service while on foreign service;

(d) ‘**family**’ means—

(i) in the case of a male subscriber, the wife or wives and children of a subscriber and the widow, or widows, and children of a deceased son of the subscriber.

Provided that if a subscriber proves that his wife has been judicially separated from him or has ceased under the customary law of the community to which she belongs to be entitled to maintenance, she shall thenceforth be deemed to be no longer a member of the subscriber’s family in respect of matters to which rules relate, unless the subscriber subsequently indicates in writing to the Account Officer that she shall continue to be so regarded;

(ii) in the case of a female subscriber, the husband and children of a subscriber, and the widow or widows and children of a deceased son of a subscriber.

<sup>1</sup> Principal Rules were published vide Notification No. 12/1/54—AIS—II dated 12.09.1955 (SRO 1980 dt. 12.09.1955)

<sup>2</sup> Substituted vide DP & AR Notification No. 11026/11/77—AIS(III) dated 27.11.1979 (GSR No. 1529 dt. 29.12.1979)



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Provided that if a female subscriber notifies in writing to the Account Officer expressing her intention to exclude her husband from her family, the husband shall thenceforth be deemed to be no longer a member of the subscribers' family in respect of matters to which these rules relate, unless the subscriber subsequently indicates in writing to the Accounts Officer that her husband shall continue to be so regarded;

- (e) '**form**' means a form annexed to these rules;
- (f) '**Fund**' means the All India Services Provident Fund;
- (g) '**Government**' means—
  - (i) in the case of a member of the Service serving in connection with the affairs of the Union, the Central Government, or
  - (ii) in the case of a member of the Service serving under a foreign Government (whether on duty or on leave), the Central Government, or
  - (iii) in the case of a member of the Service serving in connection with the affairs of a State, the Government of that State:

Provided that the President in the case of members of the Service referred to in sub-clause (i) or (ii) and the Governor in the case of members of the Service referred to in sub-clause (iii) shall be deemed to be the Government for the purposes of assignment of an insurance policy or mortgage to the Government.

*Explanation.*—A member of the Service whose services are placed at the disposal of any company, corporation, organisation or any local authority by the Central Government or the Government of a State, shall, for the purposes of these rules, be deemed to be a member of the Service serving in connection with affairs of Union or the affairs of that State, as the case may be, notwithstanding that his salary is drawn from sources other than the Consolidated Fund of the Union or of that State.

- (iv) in the case of a member of the Service on leave, the Government who sanctioned him the leave.

<sup>3</sup>(g)(g) "**Indian Civil Service member of the Indian Administrative Service**" means a person who was initially appointed to the Civil Service of the Crown in India known as the Indian Civil Service and who subsequently became a member of the Indian Administrative Service;

<sup>4</sup>(g)(g)(g) "**Indian Police member of the Indian Police Service**" means a person who was initially appointed to the Police Service of the Crown in India known as the Indian Police and who subsequently became a member of the Indian Police Service;

<sup>3</sup> Inserted vide Department of Personnel Order No. 31/7/72—AIS—III dated 01.10.1972.

<sup>4</sup> Substituted vide MHA Notification No. 5/28/66—AIS—II dated 13.12.1966 (GSR No. 1913 dt. 27.12.1966)



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- (h) **'insurer'** has the same meaning as assigned to it in the Insurance Act, 138 (IV of 1938);
  - (i) **'leave'** means any kind of leave granted under the All-India Services (Leave) Rules, 1955;
  - <sup>5</sup>(j) **'member of the Service'** means a member of [an All India Service as defined in section 2 of All India Services Act, 1951 (61 of 1951)];
  - (k) **'year'** means a financial year.
- (2) All words and expressions used in these rules and not defined but defined in the Provident Fund Act, 1925 (XIX of 1925) or in the Indian Administrative Service (Pay) Rules, 1954, or in the Indian Police Service (Pay) Rules, 1954, shall have the meanings respectively assigned to them in the said Act or in the said Rules.

### **3. Constitution of the Fund.—**

- (1) The Fund shall be maintained in India in rupees:
- (2) Every member of the Service shall subscribe to the Fund.

\*Provided further that nothing contained in this rule shall apply to the persons appointed on or after the 1<sup>st</sup> day of January, 2004,

#### **Explanatory Memorandum**

A new pension system based on defined contribution has been introduced in respect of persons recruited to Government service from the 1<sup>st</sup> day of January, 2004. As the new pension system shall not be applicable to the existing Government servants. the interest of the existing officers of All India Service shall not be affected by giving retrospective effect to the amendment.

- (3) In the case of a member of the Service who immediately before joining the Fund was a subscriber to any other non-contributory provident fund or funds maintained by the Government under whom he was at that time serving, his credit in, and liabilities to, any such fund or funds shall be transferred to this Fund.
- <sup>6</sup>(4) In the case of a member of the Service who immediately before joining the Fund was a subscriber to any Contributory Provident Fund or Funds maintained by the Government under whom he was at that time serving, his credit in, and liabilities to, any such Fund or Funds shall, insofar as the subscriber's contribution and interest thereon are concerned, be transferred to this Fund and the Government's contribution with interest there on shall be dealt with in the manner indicated in Rule 8 of All India Services (Death-cum-Retirement Benefits) Rules, 1958.
- (5) In the case of an Indian Civil Service member of the Indian Administrative Service, his credit in the Indian Civil Service Provident Fund and in the

<sup>5</sup> Introduced w.e.f 12.09.1955 vide MHA Notification No.13/8/56—AIS—II dated 21.01.1957 (GSR No. 275 dt. 26.01.1957)

\* Inserted vide DOPT Notification No.11026/03/2003-AIS-III dated 17.04.2004 (GSR No.176 dt.29.05.2004)

<sup>6</sup> Substituted vide MHA Notification No. 29/64/64—AIS—II dated 13.08.1965 (GSR No. 1175 dt. 21.08.1965)



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Indian Civil Service (Non-European Members) Provident Fund shall be transferred to this Fund.

- <sup>7</sup>(6) In the case of an Indian Police member of the Indian Police Service, his credit in the Secretary of State's Services General Provident Fund shall be transferred to this Fund.

**4. Nomination.**—(1) Each subscriber shall, as soon as may be after joining the Fund, send to the Accounts Officer a nomination conferring on one or more persons the right to receive the amount that may stand to his credit in the Fund, in the event of his death before the amount has become payable or having become payable, has not been paid:

Provided that if at the time of making the nomination the subscriber has a family, the nomination shall not be in favour of any person or persons other than the members of his family.

- (2) If a subscriber nominates more than one person under sub-rule (1), he shall specify in the nomination the amount or share payable to each of the nominees in such manner as to cover the whole of the amount that may stand to his credit in the Fund at any time.
- (3) Every nomination under sub-rule (2) shall be in such one of the forms I to IV as may be appropriate to each case.
- (4) A subscriber may at any time cancel a nomination by sending a notice in writing to the Accounts Officer:

Provided that the subscriber shall, along with such notice, send a fresh nomination made in accordance with the provisions of this rule.

- (5) A subscriber may provide in a nomination—
- (a) in respect of any specified nominee, that in the event of his predeceasing the subscriber the right conferred upon that nominee shall pass to such other person or persons as may be specified in the nomination:

Provided that such other person or persons shall, if the subscriber has other members of the family, be a member or members of his family;

- (b) that the nomination shall become invalid in the event of the happening of a contingency specified therein:

Provided that if at the time of making the nomination the subscriber has no family, he shall provide in the nomination under that it shall become invalid in the event of his subsequently acquiring a family;

<sup>8</sup>Provided further that, if at the time of making the nomination the subscriber has only one member of the family, he shall provide in the nomination that the right conferred upon the alternate nominee under clause (a) shall also become invalid in the event of his subsequently acquiring other member or members in his family.

- (6) Immediately on the death of a nominee in respect of whom no special provision has been made in the nomination clause (a) of sub-rule (5) or on the occurrence of any event by reason of which the nomination becomes

<sup>7</sup> Inserted vide Deptt. of Personnel Order No. 31/7/72—AIS—III dated 01.10.1972.

<sup>8</sup> Introduced vide MHA Notification No. 13/11/57—AIS(III) dated 20.02.1958 (GSR No. 62 dt. 01.03.1958)





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invalid in pursuance of clause (b) of sub-rule (5) or the proviso thereto, the subscriber shall send to the Accounts Officer a notice in writing cancelling the nomination, together with a fresh nomination made in accordance with the provisions of this rule.

- (7) Every nomination made, and every notice of cancellation given, by a subscriber shall, to the extent that it is valid take effect on the date on which it is received by the Accounts Officer, who shall acknowledge the receipt of every such communication.

<sup>9</sup>*Explanation*.—For the purpose of this rule ‘person’ or ‘persons’ shall include ‘a company or association or body of individuals, whether incorporated or not’. It shall also include a Fund such as the Prime Minister’s National Relief Fund or any of charitable or other Trust or Fund, to which nominations may be made through the Secretary or other executive, authorised to receive payments.

5. **Subscriber’s account.**— An account shall be prepared in the name of each subscriber and shall show the amount of his subscriptions with interest there on calculated as prescribed in sub-rule (2) of rule 9.

6. **Conditions and rates of subscriptions.**— (1) A subscriber shall subscribe monthly to the Fund except during a period of suspension:

Provided that a subscriber may, at his option, elect not to subscribe during leave;

Provided further that a subscriber on reinstatement after a period passed under suspension shall be allowed the option of paying in one sum, or in instalments, any sum not exceeding the amount of subscriptions in arrear payable for that period.

*Explanation.*— A subscriber shall be deemed to have intimated his election not to subscribe during leave if he makes no deduction on account of subscription in his first pay bill drawn after proceeding on leave and the option so intimated shall be final.

<sup>10</sup>(1A) Notwithstanding anything contained in sub-rule (1): (a) a subscriber due to retire shall not subscribe to the fund during the last three months his service;

(b) a subscriber not covered by ‘(a)’ above shall not subscribe to the fund for the month in which he quits service unless, before commencement of the said month, he communicates to the Head of the Office in writing his option to subscribe for the said month;

(2) A subscriber, who has under rule 29 withdrawn the amount standing to his credit in the Fund shall not subscribe to the Fund after such withdrawal unless and until he returns to duty.

(3) The amount of subscription shall be fixed by the subscriber himself subject to the following conditions, namely:

(a) it shall be expressed in whole rupees;

(b) It may be any sum, so expressed, not less than <sup>11</sup>six per cent of his emolument <sup>12</sup>[ ] and not more than <sup>13</sup>(his emoluments).

<sup>9</sup> Inserted vide DP & AR Notification No. 11026/18/83—AIS(III) dated 27.06.1984 (GSR No. 741 dt. 14.07.1984)

<sup>10</sup> Substituted vide DP&T Notification No. 11026/15/84—AIS(III) dated 22.10.1986 (GSR No.932 dt. 01.11.1986)

<sup>11</sup> Substituted vide DP&AR Notification No. 11026/4/77—AIS(III) dated 21.11.1977 (GSR No. 1657 dt. 10.12.1977)

<sup>12</sup> i.e. [One anna in the rupee] was omitted w.e.f. 27.05.1958 vide MHA Notification No.18/29/57—AIS(III), dated 27.05.1958 (GSR No. 447 dt. 07.06.1958)

<sup>13</sup> Substituted for 15-5/8% the 2 annas in the rupee vide MHA Notification No.13/29/57 AIS(III—A) dated 27.05.1958 (GSR No.407 dt.07.06.1958)



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6(4) For the purpose of sub-rule (3), the emoluments of the subscriber shall be—

- (a) in the case of a subscriber who was a member of the Service on the 31st day of March of the preceding year, the emoluments to which he was entitled on that date, provided as follows—
  - (i) if the subscriber was on deputation out of India on the said date and elected not to subscribe during such leave or was under suspension on the said date, his emoluments to which he was entitled on the first day after his return to duty;
  - (ii) if the subscriber was on deputation out of India on the said date or was on leave on the said date and continues to be on leave and has elected to subscribe during such leave, his emoluments shall be the emoluments to which he would have been entitled had he been on duty in India;
- (b) in the case of a subscriber who was not a member of the Service on the 31st day of March of the preceding year, the emoluments to which he was entitled on the first day of his Service.

6(5) A subscriber shall intimate the fixation of the amount of his monthly subscription in each year in the following manner:—

- (a) if he was on duty on the 31st day of March of the preceding year, by the deduction which he makes in this behalf from his pay bill for that month;
- (b) if he was on leave on the 31st day of March of the preceding year and elected not to subscribe during such leave, or was under suspension on that date, by the deduction which he makes in this behalf from his first pay bill after his return to duty;
- (c) if he has been appointed as a member of the Service during the year, by the deduction he makes in this behalf from his pay bill for the month following the month in which he was appointed to the Service;
- (d) if he was on leave 31st day of March of the preceding year and continues to be on leave and has elected to subscribe during such leave, by the deduction which he causes to be made in this behalf from his salary bill for that month;
- (e) if he was on foreign service on the 31st day of March of the preceding year, by the amount credited by him into the treasury on account of subscription for the month the April in the current year.

6(6) The amount of subscription so fixed may be—

- (a) reduced once at any time during the course of the year; or
- (b) enhanced twice during the course of the year; or
- (c) reduced and enhanced as aforesaid:

Provided that when the amount of subscription is so reduced, it shall not be less than the minimum in sub rule (3).



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- <sup>14</sup>6(7) If a subscriber is on leave without pay or leave on half-pay for a part of a calendar month and he has elected not to subscribe during such leave, the amount of subscription payable shall be proportionate to the number of days spent on duty, including leave, if any, other than the leave referred to above."

**7. Transfer to foreign service or deputation out of India.**—When a subscriber is transferred to foreign service or sent on deputation out of India, he shall continue to be subject to the rules of the Fund in the same manner as if he was not so transferred or sent on deputation.

### **8. Realisation of subscription.**—

- 8(1) When emoluments are drawn from treasury in India, subscriptions on account of such emoluments and the principal and interest of advances if any, shall be deducted from the emoluments; but when emoluments are drawn from any other source, the subscriber shall forward his dues monthly to the Accounts Officer.

<sup>15</sup>Provided that in the case of subscribers on deputation to a body corporate owned or controlled by Government, the subscriptions shall be recovered and forwarded to the Accounts Officer by such body.

- 8(2) If a subscriber fails to subscribe with effect from the date on which he joined the Fund or is in default in any month or months during the course of a year otherwise than as provided in rule 6, the total amount due to Fund on account of arrears of subscription shall with interest thereon at the rate provided in rule 9, forthwith be paid by the subscriber to the Fund or in default be ordered by the Account Officer to be recovered by deduction from the emoluments of the subscriber by instalments or otherwise as may be directed by the Government:

Provided that subscribers whose deposits in the Fund carry no interest shall not be required to pay any interest.

### **9. Interest.**—

- 9(1) Subject to the provisions of sub-rule (5), interest at such rate as may be determined for each year according to the method of calculation prescribed from time to time by the Central Government shall be paid to the credit of the account of a subscriber.
- 9(2) Interest shall be credited with effect from the last day in each year in the following manner:—
- (i) on the amount at the credit of a subscriber on the last day of the preceding year, less any sums withdrawn during the current year-interest for twelve months;
  - (ii) on sums withdrawn during current year-interest from the beginning of the current year up to the last day of the month preceding the month of withdrawal;

<sup>14</sup> Substituted vide DP & AR Notification No. 11026/4/77—AIS(III), dated 21.11.1977 (GSR No. 1657, dt. 10.12.1977)

<sup>15</sup> Added vide MHA Notification No. 5/22/67—AIS(II)—A, of 18.03.1968 (GSR No. 584, dt. 30.03.1968).



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- (iii) on all sums credited to the subscribers account after the last day of the preceding year-interest from the date of deposit upto the end of the current year;
- (iv) the total amount of interest shall be rounded to the nearest whole rupee, a fraction of a rupee less than <sup>16</sup>[Fifty Naye Paise] being regarded and a fraction of rupee equal to or exceeding (Fifty Naye Paise) being regarded as one rupee.

Provided that when the amount standing at the credit of a subscriber has become payable, interest shall be credited under this rule in respect only of the period from the beginning of the current year or from the date of deposit, as the case may be, upto the date on which the amount standing at the credit of the subscriber became payable.

9(3) In this rule, the date of deposit shall:—

- (a) in the case of a recovery from emoluments, be deemed to be the first day of the month in which it is recovered; and

<sup>17</sup>Provided that where there has been a delay in the drawal of pay of leave salary and allowances of a subscriber and consequently in the recovery of his subscription towards the Fund, the interest on such subscriptions shall be payable from the month in which the pay or leave salary of the subscriber was due under the rules irrespective of the month in which it was actually drawn.

Provided further that where the emoluments for a month are drawn on the last working day of the same month the date of deposit shall in the case of recovery of his subscriptions, be deemed to be the first day of the succeeding month.

- (b) In the case of an account forwarded by the subscriber be deemed to be the first day of the month of receipt if it is received by the Accounts Officer before the fifth day of that month and if it is received on or after the fifth day of that month, the first day of the next succeeding month:

<sup>18</sup>Provided that in the case of an amount forwarded in accordance with the proviso to sub-rule (1) of rule 8, the date of deposit shall be deemed to be the first day of the month if it is received by the Accounts Officer before the fifteenth day of that month.

9(4) In addition to any amount to be paid under rules 28, 29 or 30, interest thereon up to the end of the month preceding that in which the payment is made or up to the end of six month after the month in which such amount became payable whichever of these periods be less, shall be payable to the person to whom such amount is to be paid:

Provided that where the Accounts Officer has intimated to that person (or his agent) a date on which he is prepared to take payment in cash, or has posted a cheque for the amount to that person, interest shall be payable only up to the end of the month preceding the date so intimated or the date of posting of the cheque, as the case may be:

<sup>16</sup> [ ] Substituted in place of 'eight annas' vide M.H.A. Notification No. 13.29.1957—AIS(III)—A, dated the 27.05.1958 (GSR No.407 dt. 07.06.1958)

<sup>17</sup> Added vide MHA Notification No. 5/22/67—AIS (II)—A dated 18.03.1968 (GSR No. 584 dt. 30.03.1968)

<sup>18</sup> Added vide Deptt. of Personnel Notification No. 5/8/71—AIS—(II), dated 09.02.1972 (GSR No. 2249, dt. 26.02.1972)



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<sup>19</sup> Provided further that where a subscriber on deputation to a body corporate owned or controlled by the Government or an autonomous organisation registered under the Societies Registration Act, 1860 (21 of 1860) is subsequently absorbed in such body corporate or organisation with effect from a retrospective date, for the purpose of calculating the interest due on the Fund accumulations of the subscriber, the date of issue of the orders regarding absorption shall be deemed to be the date on which the amount to the credit of the subscriber became payable subject, however, to the condition that the amount recovered as subscription during the period commencing from the date of absorption and ending with the date of issue of orders of absorption shall be deemed to be the subscription to the Fund only for the purposes of awarding interest under this sub-rule.

NOTE: Payment of interest on the Fund balance beyond a Period six months may be authorised:—

- (a) up to a period of one year, by an officer (which expression includes the Pay and Accounts Officer in a Union Territory where the accounts have been departmentalised) nominated by the Head of Accounts Office; and
- (b) up to a period, exceeding one year by the Head of Accounts Office (which expression includes a Controller of Accounts in a Union Territory where the accounts have been departmentalised, after the said officer or as the case may be the Head of Accounts Office has personally satisfied himself that the delay in payment was occasioned by circumstances beyond the control of the subscriber or the person to whom such payment was to be made and in every such cases the administrative delay involved, in the matter shall be fully investigated and action, if any required, taken.

<sup>20</sup>[ ]

9(5) Interest shall not be credited to the accounts of a subscriber if he informs the Accounts Officer that he does not wish to receive it; but if he subsequently asks for interest, it shall be credited with effect from the first day of the year in which he asks for it.

9(6) Interest on amounts which under sub-rule (2) of rule 8, <sup>21</sup>[ ] rule 28 or 29, are replaced at the credit of the subscriber in the Fund, shall be calculated at such rates may be successively prescribed under sub-rule (1) of this rule and so far as may be in the manner described in this rule.

<sup>22</sup>9(7) In case a subscriber is found to have drawn from the fund an amount in excess of the amount standing to his credit on the date of the drawal, the overdrawn amount, irrespective of whether the overdrawal occurred in the course of an advance or a withdrawal or the final payment from the fund, shall be repaid by him with interest thereon, in one lumpsum, or in default, be ordered to be recovered by deduction in one lumpsum from the

<sup>19</sup> Inserted vide Notification No. 11026/4/77—AIS(III), dated 14.02.1979 (GSR No. 295, dt. 24.02.1979) and further modified vide Not. 11026/7/79—AIS(III) dated 17.11.1980 (GSR No. 1235, dt. 06.12.1980).

<sup>20</sup> Deleted vide DP&D AR Notification No. 11026/4/77—AIS(III) dated 21.11.1977 (GSR No. 1657 dt. 10.12.1977).

<sup>21</sup> Deleted vide Deptt. of Personnel & A.R. Notification No. 11026/1/75—AIS(III) dated 16.04.1975 (GSR No. 515 dt. 26.04.1975)

<sup>22</sup> Inserted vide Notification No. 11026/19/83 AIS (III) dated 22.07.1985 (GSR No. 710 dt. 03.08.1985).



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emoluments of the subscriber. If that total amount to be recovered is more than half of the subscriber's emoluments recoveries shall be made in monthly instalments of moieties of his emoluments till the entire amount together with interest, is recovered. For this rule, the rate of interest to be charged on overdrawn amount would be 2 1/2% over and above the normal rate of Provident Fund balances under sub-rule (1). The interest realised on the overdrawn amount shall be credited to Government account under a distinct, sub-head "Interest on overdrawal from Provident Fund".

**10. Advance from the Fund.**—(1) The Government <sup>23</sup>(or an officer not below the rank of the subscriber and specified in this behalf by the Government) may sanction the payment to a subscriber of a temporary advance from the amount standing to his credit in the Fund, subject to the following conditions:—

10(1)(a) No advance shall be granted unless the sanctioning authority is satisfied that subscriber's pecuniary circumstances justify it and that it will be expended on any of the following objects namely:—

- (i) to pay expenses incurred in connection with the serious or prolonged illness of the subscriber or any person actually dependent on him;
- (ii) to pay for the overseas passage for reasons of health or education of the subscriber or any person actually dependent on him and also to meet the cost of education of the subscriber or of any person actually dependent on him outside India, whether for an academic, technical, professional or vocational course; or in India for medical, engineering or other technical or specialised courses beyond the high school stage, provided that the course of study is not less than 3 years;
- (iii) to pay obligatory expenses on a scale appropriate to the subscriber's status which by customary usage the subscriber has to incur in connection with marriages, funerals or other ceremonies;
- <sup>24</sup>(iv) to meet the cost of legal proceedings instituted by or against the subscriber, any member of his family or any person actually dependent upon him, the advance in this case being available in addition to any advance admissible for the same purpose from any other Government source;
- <sup>24</sup>(v) to meet the cost of subscriber's defence where he engages a legal practitioner to defend himself in an inquiry in respect of any alleged official misconduct on his part.
- <sup>25</sup>(vi) to meet the cost of plot or construction of a house or flat for his residence or to make any payment towards the allotment of plot or flat by any Urban Development Authority or a State Housing Board or a House Building Co-operative Society;

<sup>23</sup> Inserted or substituted vide M.H.A. Notification No. 8/34/57—AIS(III) dated the 21.07.1959. (GSR No. 850 dt. 25.07.1959)

<sup>24</sup> Substituted vide Notification No. 11026/11/79—AIS(III) dated 25.09.1980 (GSR No. 1048, dt. 11.10.1980)

<sup>25</sup> Inserted vide Notification No. 11026/11/78—AIS (III) dated 04.08.1979 (GSR No. 1081, dt 25.08.1979)



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- <sup>26</sup>(vii) to purchase consumer durables such as television, video cassette recorder, video cassette player, washing machine, cooking range, geysers, computers.

<sup>27</sup>Provided that in special circumstances, the Government at its discretion or where the sanctioning authority is other than the Government, such authority with previous approval of the Government, may sanction an advance if it is satisfied that the subscriber concerned requires the advance for reasons other than those mentioned above:

<sup>27</sup>Provided that the advance under sub-clause (iv) or sub-clause (v) shall not be admissible to a subscriber who institutes legal proceedings in any court either in respect of any matter unconnected with his official duty or against Government in respect of any condition of service or penalty imposed on him.

10(1)(b) The sanctioning authority shall record in writing its reasons for granting the advance.

10(1)(c) An advance shall not, except for special reasons—

- (i) exceed three month's pay or half the amount standing at the credit of the subscriber in the Fund, whichever is less, or
- (ii) unless the amount already advanced does not exceed two—thirds of the amount admissible under sub-clause (i) above, be granted until at least a period of twelve months has lapsed after the final repayment of all previous advances <sup>28</sup>[ ]

Provided that if any such reason is of a confidential nature it may be communicated to the Account Officer personally or confidentially;

<sup>29</sup>Provided further that where the sanctioning authority is other than the Government no such advance shall be sanctioned except with the previous approval of the Government.

10(2) In fixing the amount of an advance, the sanctioning authority shall pay due regard to the amount standing at the credit of the subscriber in the Fund.

<sup>28</sup>10(3) When an advance is sanctioned under clause (c) of sub-rule (1) before repayment of the last instalment of any previous advance is completed, the balance of any previous advance not recovered shall be added to the advance so sanctioned and instalments for recovery shall be fixed with reference to the consolidated amount.

<sup>30</sup>10 (4) After sanctioning the advance, the amount shall be drawn on an authorisation from the Accounts Officer in cases where the application for final payment had been forwarded to the Accounts Officer under clause (ii) of sub-rule (3) of rule 31.

### 11. Recovery of advances.—

<sup>26</sup> Inserted Vide DP&T Notification No. 11026/2/95—AIS(III)—A, dated 23.12.1996 (GSR No.157 dt. 23.04.1997)

<sup>27</sup> Introduced vide M.H.A Notification No 13/9/58—AIS(III), dated 14.05.1958 (GSR No. 401 dt. 24.05.1958)

<sup>28</sup> Deleted vide D.P. & A.R. Notification No. 11026/1/75—AIS(III) dated 16.04.1975 (GSR No. 515 dt. 26.04.1975).

<sup>29</sup> Inserted or substituted vide M.H.A. Notification No. 8/34/57—AIS(III) dated 21.07.1959 (GSR No. 850 dt. 25.07.1959)

<sup>30</sup> Inserted vide Deptt. of Personnel & A.R. Notification No. 11026/4/77—AIS(III), dated 21.11.1977 (GSR No. 1657, dt. 10.12.1977)



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- 11(1) An advance shall be recovered from the subscriber in such number of equal monthly instalments as the <sup>31</sup>sanctioning authority may direct, but such number shall not be less than twelve unless the subscriber so elects or more than twenty—four. A subscriber may at his option, repay more than one instalment in month. Each instalment shall be a number of whole rupees the amount of the advance being raised or reduced, if necessary to admit of the fixation of such instalments:

Provided that where the amount advanced exceeds three month's pay or half the amount at the credit of the subscriber, the Government or where the sanctioning authority is other than that Government such authority with the previous approval of the Government, may direct that the amount may be recovered in a maximum of thirty—six instalments.

- 11(2) Provided that

<sup>32</sup>(a)

<sup>33</sup>(b) recovery may be postponed by sanctioning authority during the recovery of an advance of pay granted to the subscriber.

<sup>21</sup>11(3)

<sup>21</sup>11(4)

- 11(5) If an advance has been granted to a subscriber and drawn by him and the advance is subsequently disallowed before repayment is completed the whole or balance of the amount withdrawn shall, <sup>21</sup>[ ] forth with be repaid by the subscriber to the Fund, or in default, be ordered by the Accounts Officer to be recovered by deduction from the emoluments of the subscriber by instalments or otherwise, as may be directed by the <sup>31</sup>(sanctioning authority):

<sup>21</sup>[ ]

<sup>34</sup>Provided that, before such advance is disallowed, the subscriber shall be given an opportunity to explain to the sanctioning authority in writing, and within fifteen days of the receipt of the communication, as to why the repayment should not be enforced, and if an explanation is submitted by the subscriber within the said period of fifteen days, it shall be referred to the Government for decision and if no explanation within the said period is submitted by him, the repayment of the advance shall be enforced in the manner prescribed in this sub-rule.

- 11(6) Recoveries made under this rule shall be credited as they are made to be subscribers account in the Fund.

**12. Withdrawal from the Fund.—** <sup>35</sup>(1) subject to the conditions specified in rules 13, 15 and 16, Government may at any time after the completion of <sup>36</sup>ten years of Service (including broken periods of service if any) of a subscriber or within ten years before the date of his retirement on superannuation whichever is earlier, sanction

<sup>31</sup> Inserted vide Deptt. of Personnel & A.R. Notification No. 8/34/57—AIS(III), dated the 21.07.1959. (GSR No. 850, dt. 25.07.1959).

<sup>32</sup> Omitted vide M.H.A. Notification No. 5/5/67—AIS (II)—B, dated 20.10.1967. (GSR No. 1598, dt. 28.10.1967).

<sup>33</sup> Substituted or inserted as the case may be vide M.H.A. Notification No. 8/3/57—AIS (II), dated 21.07.1959 (GSR No. 850, dt. 25.07.1959).

<sup>34</sup> Inserted vide DP Notification No. 11026/19/83 AIS(III) dated 22.07.1985 GSR No.710 dt. 03.08.1985)

<sup>35</sup> Substituted vide Notification No. 11026/6/76—AIS (III) dated 28.11.1978 (GSR No. 1491 dt. 16.12.1978).

<sup>36</sup> Substituted vide DOPT Notification No. 11026/19/84—AIS (III) dated 17.04.1985





withdrawal by him from the amount standing to his credit in the Fund for one or more of the following purposes, namely:—

- 12(1)(a) building or acquiring a suitable house or a ready—built flat for his residence including the cost of the site;
  - 12(1)(b) repaying an outstanding amount on account of a loan expressly taken for building or acquiring a suitable house or ready—built flat for his residence;
  - 12(1)(c) purchasing a house site for building a house thereon for his residence or repaying any outstanding amount on account of a loan expressly taken for this purpose;
  - 12(1)(d) reconstructing of/or making additions or alterations to a house or a flat already owned or acquired by a subscriber;
  - 12(1)(e) renovating, making additions or alterations to or upkeep of an ancestral house at a place other than the place of duty or to a house built with a loan from Government at a place other than the place of duty;
  - 12(1)(f) constructing a house on a site purchased under clause (c);
  - <sup>26</sup>12(1)(g) meeting the cost of consumer durables such as television, video cassette recorder, video cassette player, washing machines, cooking range, geysers, computers.
- 12 (1A) Subject to the conditions specified in rules 14 and 14A, the Government may at any time after the completion of fifteen years of service (including broken periods of service if any) of a subscriber or within ten years before the date of his retirement on superannuation, whichever is earlier, sanction withdrawal by him from the amount standing to his credit in the Fund for one or more of the following purposes namely:—
- 12(1A)(a) meeting the cost of higher education, including where necessary the travelling expenses of the subscriber or any child of the subscriber in the following cases, namely:—
    - (i) for education outside India for academic, technical, professional or vocational course beyond the High School Stage;
    - (ii) for any medical, engineering or other technical or specialised course in India beyond the High School Stage;
  - 12(1A)(b) meeting the expenditure in connection with the betrothal or marriage of the subscriber or his sons or daughters, and any other female relation actually dependent on him;
  - 12(1A)(c) meeting the expenses in connection with the illness, including where necessary, the travelling expenses, of the subscriber and members of his family or any person actually dependent on him.



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<sup>37</sup>12(1B) The Government may at any time within twelve months before the date of retirement on superannuation sanction withdrawal of upto ninety percent of the amount standing to his credit of a member of an All India Service in the Fund without assigning any reason for such withdrawal by him. This facility shall be admissible only once.

<sup>38</sup>12 (1C) The Government may, once during the course of a financial year, sanction withdrawal from the amount standing to his credit in the Fund a sum equivalent to one year's subscription paid for by the subscriber towards the Group Insurance Scheme under the All India Services (Group Insurance) Rules, 1981.

NOTE 1: A subscriber who has availed himself of an advance under the scheme of the Ministry of Works and Housing for the grant of advance for house—building purpose or has been allowed any assistance in this regard from any other Government source, shall be eligible for the grant of final withdrawal under clauses (a), (c), (d) and (f) of sub-rule (1) for the purpose specified therein and also for the purpose of repayment of any loan taken under the aforesaid Scheme subject to the limit specified in the second proviso to sub-rule (1) of rule 13.

If a subscriber has an ancestral house or built a house at a place other than the place of his duty <sup>39</sup>with the assistance of loan taken from the Government, he shall be eligible for the grant of final withdrawal under clauses (a), (c) and (f) of sub-rule (1) for purchase of a house site or for construction of another house or for acquiring a ready—built flat at the place of his duty.

NOTE 2: Withdrawal under clauses (a), (d), (e) or (f) of sub-rule (1) shall be sanctioned only after subscriber has submitted a plan of the house to be constructed or of the additions or alterations to be made duly approved by the local municipal body of the area where the site or house is situated and only in cases where the plan is actually got approved.

NOTE 3: The amount of withdrawal sanctioned under sub-clause (b) of sub-rule (1) shall not exceed 3/4 of the balance on date of application together with the amount of previous withdrawal under sub-clause (a) reduced by the amount of previous withdrawal. The formula to be followed is: 3/4th balance as on date plus amount of previous withdrawal(s) for the house in question minus the amount of the previous withdrawal (s).

NOTE 4: Withdrawal under clause (a) and (d) of sub-rule (1) shall also be allowed where the house site or house is in the name of wife/husband provided she/he is the first nominee to receive provident Fund money in the nomination made by the subscriber.

NOTE 5: Only one withdrawal shall be allowed for the same purpose under rule 12, But marriage/education of different children or illness on different occasions shall not be treated as the same purpose. Second or subsequent withdrawal under clauses (a) or (f) of sub-rule (1) for

<sup>37</sup> Substituted vide DOPT Notification No. 11026/5/90—AIS (III) dated 16.03.1993 9 GSR No.190 dt. 10.04.1993)

<sup>38</sup> Inserted vide D.P. & A.R. Notification No. 11026/18/83—AIS(III) dated 27.06.1984.(GSR No. 741, dt. 14.07.1984).

<sup>39</sup> Deleted vide D.P. & A.R. No. 11026/11/78—AIS (III) dated 04.08.1979 (GSR No. 1981, dt. 25.08.1979).



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completion of the same house shall be allowed upto the limit laid down under Note 3.

NOTE 6: A withdrawal under rule 12 shall not be sanctioned if an advance under rule 10 is being sanctioned for the same purpose and at the same time.

<sup>40</sup>12(2) Subject to the conditions specified in rule 14C, the Government may, at any time after the completion of fifteen years of service by a subscriber, sanction withdrawal by him from the amount standing to the credit in the Fund for booking or purchasing a motor car or motor cycle/Scooter/moped etc. or for repaying a Government loan already taken by him for the purpose;

<sup>41</sup>12(2A) Subject to the conditions laid down in sub-rule (1A) of rule 14C, the Government may, at any time after the completion of twenty eight years of service by a subscriber or within three years before the date of his retirement on superannuation, sanction withdrawal by him from the amount standing to his credit in the Fund for extensive repairs or overhauling of his motor car;

<sup>42</sup>12(3) Whenever a subscriber is in a position to satisfy the competent authority about the amount standing to his credit in his account with reference to the latest available statement of his account together with the evidence of subsequent contributions the competent authority may itself sanction withdrawal within the prescribed limits, as in the case of a refundable advance. In doing so, the competent authority shall take into account any withdrawal or refundable advance already sanctioned by it in favour of the subscriber. For this purpose, the competent authority, while sanctioning withdrawal, shall record a certificate in Form IV A or Form IV B, as the case may be. Where, however, the subscriber is not in a position to satisfy the competent authority about the amount standing to his credit or where there is any doubt about the admissibility of the withdrawal applied for, a reference may be made to the Accounts officer by the competent authority for ascertaining the amount standing to the credit of the subscriber with a view to enabling the competent authority to determine the admissibility of the amount of withdrawal. The sanction for the withdrawal should prominently indicate the Account Number and the Accounts Officer, maintaining the accounts and a copy of the sanction for withdrawal should invariably be endorsed to that Accounts Officer. The sanctioning authority shall be responsible to ensure that an acknowledgement is obtained from the Accounts Officer that the sanction for withdrawal has been noted in the ledger account of the subscriber. In case the Accounts Officer reports that the withdrawal as sanctioned is in excess of the amount to the credit of the subscriber or otherwise inadmissible, the sum withdrawn by the subscriber shall forthwith be repaid in one lump sum by the subscriber to the fund and in default of such repayment, it shall be ordered by the sanctioning authority to be recovered from his

<sup>40</sup> Substituted, vide D.P. & A.R. Notification No. 11/24/73—AIS(III) dated 05.03.1974 (GSR No. 282, dt. 23.03.1974) and D.P. & A.R. Notification No. 11026/2/86—AIS(III), dt. 09.03.1988.

<sup>41</sup> Inserted vide D.P. & A.R. Notification No. 11026/18/81-AIS(III) dated 06.07.1983. (GSR No. 531, dt. 23.07.1983).

<sup>42</sup> Inserted vide D.P. & A.R. Notification No. 11026/4/77-AIS(III) dated 21.11.1977 (GSR No.1657 dt. 10.12.1977)



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emoluments either in a lump sum or in such number of monthly instalments as may be determined by the President.

- 12(4) Where, a withdrawal has been sanctioned under sub-rule (3), the amount shall be drawn on an authorisation from the Accounts Officer in cases where the application for final payment had been forwarded to the Accounts Officer under clause (ii) of sub-rule (3) of rule 31.

<sup>43</sup>13. **Maximum amount of withdrawal** <sup>44</sup>**under sub-rule (1) of rule 12 :—** <sup>45</sup>(1) Any sum withdrawn by a subscriber under clauses (a) to (f) of sub-rule (1) of rule 12 from the amount standing to his credit in the Fund shall not exceed—

- 13 (1) (a) One-half of such amount, or
- 13 (1) (b) in the case of building or acquiring a suitable house for his residence, including the cost of the site or the amount required for repayment of the loan taken for this purpose or for reconstruction, or making additions or alterations, to a house already owned or acquired by him, the actual cost, whichever is less.

<sup>46</sup>“Provided that the sanctioning authority may sanction the withdrawal of an amount in excess of the limit set out in Clause (a) upto ninety percent of the balance at the credit of the subscriber in the Fund:

Provided further that in no case maximum amount of withdrawal shall exceed the maximum limit prescribed from time to time under clause (a) of paragraph 2 and clause (b) of paragraph 3 of the scheme of the then Ministry of Works and Housing for the grant of advances for house building purposes:

Provided also that in the case of a subscriber who has availed himself of an advance under the Scheme of the then Ministry of Works and Housing for the grant of advances for house building purposes, or has been allowed any assistance in this regard from any other Government source, the sum withdrawn under this sub-rule together with the amount of advance taken under the aforesaid Scheme or the assistance taken from any other Government source shall not exceed the maximum limit prescribed from time to time under clause (a) of paragraph 2 and clause (b) of paragraph 3 of the aforesaid Scheme”.

*Explanation.*— For the purposes of this sub-rule the actual expenditure incurred in connection with the execution of any document relating to transaction may be included in the cost of the house or the amount required for the payment of the loan.

NOTE.— In cases where a subscriber has to pay in instalments for a site or a house or flat purchased, or a house or flat constructed through any Urban Development Authority or a State Housing Board or a House Building Co-operative Society, he shall be permitted to make a withdrawal as and when he is called upon to make a payment of any instalment. Every such

<sup>43</sup> Amendment w.e.f. 23.03.1957 vide MHA Notification No.3/12/57-AIS(III), 13.02.1958 (GSR No.31, dt. 22.02.1958.)

<sup>44</sup> Amendment vide D.P. & A.R. Notification No. 11026/6/76-AIS(III) dated 28.11.1978 (GSR No. 1491, dt. 16.12.1978)

<sup>45</sup> Substituted vide D.P. & A.R. Notification No. 11026/3/79-AIS(III), dated the 05.11.1980 (GSR No. 1209, dt. 22.11.1980).

<sup>46</sup> Substituted vide Notification No. 11026/7/2000—AIS(III) dated 14.05.2002 (GSR No.190 dt. 01.06.2002)



payment shall be treated as a payment for a separate purposes for the purpose of sub-rule (1) of rule 13.

<sup>47</sup>13(2) If a subscriber desires to withdraw any sum under sub-rule (1) of rule 12 for constructing, reconstructing or making additions or alterations to a house he shall be permitted to do so only in equal instalments of not less than two and not more than four in number; but the withdrawal of any instalment after the first shall be permitted by the Government only if it is satisfied that there has been sufficient progress in the construction of the house.

13(3) If any sum withdrawn by a subscriber under this rule is found to be in excess of that actually spent for the purpose for which such sum was withdrawn or is not applied for such purpose the excess or the whole of such sum or so much thereof as has not been so applied, shall forthwith be repaid by the subscriber to the Fund; and in default of such repayment, it shall be ordered by the Government to be recovered from his emoluments either in a lump sum or in such number of monthly instalments as may be determined by the Government:

<sup>48</sup>Provided that, before repayment of a withdrawal is enforced under this sub-rule, the subscriber shall be given an opportunity to explain in writing, and within fifteen days of receipt of the communication, as to why the repayment should not be enforced, and if the Government is not satisfied with the explanation or no explanation is submitted by the subscriber within the said period of fifteen days, it shall be ordered by the Government to enforce the repayment in the manner prescribed in this sub-rule;

<sup>49</sup>[ ]

**14. Maximum amount of withdrawal for meeting the cost of higher education.—** (1) <sup>50</sup> A subscriber may under <sup>51</sup>clause (a) of sub-rule (1A) of rule 12, withdraw from the amount standing to his credit in the Fund—

- (i) a sum not exceeding one-half of such amount or six month's pay, whichever is less, when education is imparted outside India: and
- (ii) a sum not exceeding one half of such amount or six month's pay, whichever is less, when education is imparted in India.

<sup>52</sup>Provided that the sanctioning authority may sanction the withdrawal of an amount in excess of this limit upto three-fourths of the balance at the credit of the subscriber in the fund, having due regard to his status and the amount to his credit in the fund.

<sup>53</sup>14(2) A withdrawal sanctioned to a subscriber under clause (a) of sub-rule (1A) of rule 12, from the amount standing to his credit in the Fund, may

<sup>47</sup> Substituted /inserted vide MHA Notification No. 5/1/68—AIS(II) dated 28.11.1968 (GSR No. 2135 dt. 28.11.1969) and further amended vide DP& AR Notification No. 11026/8/75—AIS (III) dated 22.04.1976 ( GSR No. 631 dt. 08.05.1976)

<sup>48</sup> Inserted vide D.P. & A.R. Notification No. 11026/19/83—AIS(III) dated 22.07.1985. (GSR No. 710 dt. 03.08.1985)

<sup>49</sup> Deleted vide DP&AR Notification No. 11026/1/75—AIS—III dated 16.04.1975 (GSR No. 515, dt. 26.04.1975)

<sup>50</sup> Substituted vide D.P. & A.R. Notification No. 5/18/69—AIS(II)—A, dated 22.08.1970. (GSR No. 1268, dt. 01.09.1970).

<sup>51</sup> Substituted vide D.P. & A.R. Notification No. 11026/6/76—AIS(II)-A, dated 28.11.1978. (GSR No.1491, dt. 16.12.1978).

<sup>52</sup> Inserted vide D.P. & A.R. Notification No. 5/12/68-AIS(II)-A dated 03.02.1972 (GSR No. 234, dt. 19.02.1972) and amended vide D.P. & A.R. Notification No. 11026/4/77-AIS(III), dated 21.11.1977 (GSR No. 295, dt. 24.12.1979).

<sup>53</sup> Substituted vide D.P. & A.R. Notification No. 11026-4/82-AIS(III) dated 16.10.1982 (GSR No. 890, dt. 30.10.1982).



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be drawn instalments the number of which shall not exceed four in a period of twelve calendar months counted from the date of sanction.

- 14(3) (a) A subscriber who has been permitted to withdraw money under clause <sup>54</sup>(a) of sub-rule (1A) of rule 12 from the amount standing to his credit in the Fund, shall satisfy the government within a period of six months from the date of withdrawal that the money has been utilised for the purpose for which it was withdrawn, and if he fails to do so, the whole of the sum so withdrawn or so much there of as has not been applied for the purpose for which it was withdrawn, shall forth with be repaid, <sup>55</sup>[ ] by the subscriber to the Fund <sup>56</sup>[and in default of such repayment, it shall be ordered by the Government to be recovered from his emoluments either in a lump sum or in such number of monthly instalments, as may be determined by the Government].

<sup>57</sup>Provided that, before repayment of a withdrawal is enforced under this sub-rule, the subscriber shall be given an opportunity to explain in writing, and within fifteen days of the receipt of the communication, as to why the repayment should not be enforced and if the Government is not satisfied with the explanation or no explanation is submitted by the subscriber within the said period of fifteen days, it shall be ordered by the Government to enforce the repayment in the manner prescribed in this sub-rule.

Provided further<sup>58</sup> <sup>57</sup>that where a portion of the money withdrawn is not likely to be spent within the said period and the subscriber desires to withdraw any further sum of money from the Fund during the period of six months immediately following the said period, he shall so fix the amount proposed to be withdrawn during the period as to take into account this excess amount and submit an application in writing to the Government in that behalf within one month of the expiry at the said period:

Provided<sup>58</sup> <sup>59</sup>also that such excess amount shall not exceed ten per cent of the amount utilised.

[(b)]

<sup>59</sup>14—A(1). <sup>60</sup>**Maximum amount of withdrawal by subscriber for meeting expenditure on betrothal/marriage ceremony of his sons or daughters.**— Any sum withdrawn by a subscriber under clause (b) of sub-rule (1A) of rule 12 from the amount standing to his credit in the Fund shall be normally limited to one half of such amount or six months' pay whichever is less:

<sup>61</sup>Provided that the sanctioning authority may sanction the withdrawal of an amount in excess of this limit upto three-fourths of the balance at the credit of the subscriber in the Fund, having due regard to his status and the amount to his credit in the Fund.

<sup>54</sup> Substituted vide D.P. & A.R. Notification No. 11026/66/76-AIS(III) dated 28.11.1978, (GSR No. 1491, dt. 16.12.1978).

<sup>55</sup> Deleted vide D.P. & A.R. Notification No. 11026/1/75-AIS (III) dated 16.04.1974 (GSR. 515, dt. 26.04.1975).

<sup>56</sup> [ ] Introduced vide M.H.A. Notification No. 13/38/56-AIS(III), dated 02.05.1957 (GSR No. 1429, dt. 11.05.1957).

<sup>57</sup> Inserted (GSR 710 dated 22.07.1985) amended vide & D.P. & T. Notification No. 11026/19/83 AIS (III) dated 22.07.1985 (GSR No. 710 dt. 22.07.1985).

<sup>58</sup> Introduced w.e.f. 03.01.1956, vide M.H.A. Notification No. 13/28/56-AIS(III), dated 31.07.1957 (GSR No.2543, dt. 10.08.1957).

<sup>59</sup> ( ) Introduced vide M.H.A. Notification No. 13/38/56-AIS(III), dated 02.05.1957.(GSR No.1429, dt. 11.05.1957).

<sup>60</sup> Substituted vide D.P. & A.R. Notification No. 11026/66/76-AIS(III) dated 28.11.1978, (GSR No. 1491 ,dt. 16.12.1978).

<sup>61</sup> Added vide Deptt. of Personnel Notification No. 5/1/68-AIS (II)-A, dated 03.02.1972 .(GSR No. 234, dt. 19.02.1972) & amended vide D.P. & A.R. Notification No. 11026/4/76-AIS (III), dated 21-11-77 (GSR No. 1657, dt. 10.12.1977).



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NOTE 1.— If two or more marriages are to be celebrated simultaneously, the amount admissible in respect of each such marriage will be determined as if the advances are sanctioned separately, one after the other.

<sup>62</sup>[ ]

14—A (2) In respect of the same marriage, the subscriber may either withdraw the money under <sup>63</sup>clause (b) of sub-rule (1a) of rule 12 or draw an advance under rule 10.

14—A (2—A) <sup>64</sup>[Deleted.]

14—A (3) Withdrawal by a subscriber from the amount standing to his credit in the Fund shall be permitted not earlier than three months preceding the month in which the marriage actually takes place.

14—A (4) A subscriber shall satisfy the Government within a period of one month from the date of marriage or, if he is on leave, within one month of his return from leave, that the money has actually been utilised for the purpose for which it was withdrawn and if he fails to do so, the whole of the sum so withdrawn or so much there of as has not been applied for the purpose for which it was withdrawn <sup>65</sup>[ ] from the month of withdrawal shall be redeposited into the Fund forthwith by the subscriber; and in default of such repayment, it shall be ordered by the Government to be recovered from his emoluments either in a lump sum or in such number of monthly instalments as may be determined by the Government:

<sup>66</sup>Provided that, before repayment of a withdrawal is enforced under this sub-rule, the subscriber shall be given an opportunity to explain in writing, and within fifteen days of the receipt of the communication, as to why the repayment should not be enforced, and if the Government is not satisfied with the explanation or no explanation is submitted by the subscriber within the said period of fifteen days, it shall be ordered by the Government to enforce the repayment in the manner prescribed in this sub-rule” <sup>67</sup>[ ].

<sup>68</sup>14—B (1) **Maximum amount of withdrawal for meeting the expenses in illness etc.—** Any sum withdrawn by a subscriber under clause (c) of sub-rule(1A) of rule 12 from the amount standing to his credit in the Fund shall be limited to one half of such amount or six months pay whichever is less:

Provided that the sanctioning authority may sanction the withdrawal of an amount in excess of this limit upto three—fourths of the balance at

<sup>62</sup> [ ] Note 2 deleted vide Deptt. of Personnel & A.R. Notification No. 10/1/74-AIS(III),dated 03.12.1974.(GSR No. 317, dt. 14.12.1974).

<sup>63</sup> Substituted vide D.P. & A.R. Notification No. 11026/6/76 AIS (III), dated 28.11.1978 (GSR No.1491, dt. 16.12.1978)

<sup>64</sup> Deleted vide Notification No. 11026/3/98 AIS (III) dated 27.05.1999 (GSR No.179 dt. 12.06.1999)

<sup>65</sup> Amended vide Notification No. 11026/3/98 AIS(III),dated 27.05.1999 (GSR No.179 dt. 12.06.1999)

<sup>66</sup> Inserted vide D.P. & Notification No. 11026/19/83-AIS(III),dated 22.07.1985 (GSR No.710 dt. 03.08.1985)

<sup>67</sup> Substituted /deleted vide Deptt. of Personnel and A.R. Notification No. 11026/6/76-AIS(III),dated 28.11.1978.(GSR No. 1491, dt. 16.12.1978).

<sup>68</sup> Inserted vide notification No. 11026/3/79-AIS(III)dated, 05.11.1980.(GSR No. 1209,dt. 22.11.1980).



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the credit of the subscriber in the fund, having due regard to his status and the amount to his credit in the Fund.

<sup>66</sup>14—B (2) A subscriber who has been permitted to withdraw money from the fund under the clause (c) of sub-rule (1A) of Rule 12 shall satisfy the Government within a period of six months from the date of withdrawal that the money has been utilised for the purpose for which it was withdrawn, and if he fails to do so the whole of the sum so withdrawn or so much thereof as has not been applied for the purpose for which it was withdrawn, shall forthwith be repaid in one lump sum by the subscriber to the Fund, and in default of such payment, it shall be ordered by the Government to be recovered from his emoluments either in a lump sum or in such number of monthly instalments, as may be determined by the Government:—

Provided that, before repayment of withdrawal is enforced under this sub-rule, the subscriber shall be given an opportunity to explain in writing, and within fifteen days of the receipt of the communication, as to why the repayment should not be enforced, and if the Government is not satisfied with the explanation or no explanation is submitted by the subscriber within the said period of fifteen days, it shall be ordered by the Government to enforce the repayment in the manner prescribed in this sub-rule:

<sup>69</sup>14—C. **Maximum amount of withdrawal for booking**  
<sup>70</sup>**Purchase/repairs/ overhauling of motor cars/motor Cycle/ Scooter/Moped etc.** (1) Any sum withdrawn by a subscriber under sub-rule (2) of rule 12 from the amount standing to his credit in the Fund shall be limited to :—

<sup>70</sup>(i) rupees one lakh and ten thousand for purchase of motor car and rupees twenty thousand for the purchase of motor cycle, scooter or moped

Provided that the advance admissible for purchase of motor car or motor cycle or scooter or moped plus the withdrawal from the provident fund account does not exceed the cost of the vehicle proposed to be purchased.

<sup>71</sup>(ii) rupees ten thousand for booking a motor car or repair or over hauling of motor car and rupees five thousand for booking motor cycle or scooter or moped ;or

(iii) the actual price/actual amount for purchase/booking of the car or motor-cycle/ scooter/moped etc. as the case may be whichever is less.

<sup>69</sup> Modified vide D.P. & A.R. Notification No. 11026/2/81-AIS(III), dated 06.07.1983. (GSR No. 531 dt. 23.07.1983) and DP & T Notification No. 11026/7/86-AIS(III) dated 07.03.1988. 9GSR No.255 dt. 09.04.1988)

<sup>70</sup> Inserted vide D.P & T Notification No. 11026/19/83-AIS(III), dated 22.07.1985 9GSR No.710 dt. 03.08.1985)

<sup>71</sup> Inserted vide Notification No. 11026/2/81-AIS(III), dated 06.07.1983 (GSR No. 531, dt. 23.07.1983).





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NOTE. 1: The subscriber shall produce the deposit receipt for verifications by the government within a period of one month from the date of drawal and if he fails to do so the total amount of withdrawal shall be redeposited into the Fund forthwith.

NOTE. 2: The subscriber shall redeposit into the fund the amount of final withdrawal together with the interest received thereon from the manufacturer/dealer, if he does not purchase a car/motor-cycle/scooter/moped etc. or opts out of the scheme.

NOTE. 3: Withdrawal for booking shall not be counted as withdrawal for purchase of motor car or motor-cycle/scooter/moped etc. but the amount of withdrawal for booking sanctioned earlier shall be adjusted against the amount admissible and sanctioned for the purchase;

Provided that the sanctioning authority may, if considered necessary, and as a special case sanction the withdrawal of an amount in excess of this limit upto one half of the balance at subscriber's credit in the fund account or the price of the motor car which ever is less.

<sup>71</sup>14—C(1A) Any sum withdrawn by subscriber under sub-rule (2A) of rule 12 from the amount standing to his credit in the Fund shall not exceed five thousand rupees or one third of the amount standing to his credit in the fund or the actual amount of extensive repairing/overhauling whichever is the least;

Provided that no withdrawal shall be allowed unless a period of 5 years has elapsed from the date of purchase of the car by the subscriber or in the case of a second hand car from the date of purchase by the first purchaser.

<sup>72</sup>14—C(2) Withdrawal by a subscriber under sub-rule (2) or sub-rule (2a) of rule 12 from the amount standing to his credit in the Fund shall be permitted only on one occasion.

<sup>73</sup>15. **Conditions for withdrawal under<sup>72</sup> sub-rule (1) of rule 12.** —(1) No, withdrawal shall be permitted for any purpose specified in clause (a) to (f) of sub-rule (1) of rule 12 unless the Government is satisfied—

15(1)(a) that, except in the case of withdrawal for the reconstructing, or making additions or alterations to a house under clauses (a) to (f) of sub-rule (1) of rule 12, the subscriber does not already own a house at the place of his duty <sup>74</sup>[ ] and that only one house will be built, acquired, or redeemed by the subscriber at such place;

15(1)(b) that the sum which it is proposed to withdraw is actually required for that purpose;

15(1)(c) that such sum, together with the private savings, if any, of the subscriber would be sufficient for that purpose;

15(1)(d) that in the case of withdrawal for the construction of a house—

<sup>72</sup> Substituted, vide Deptt. of Personnel & A.R. notification No. 11026/6/76-AIS (III), dated 28.11.1978. (GSR No. 1491, dated 16.12.1978).

<sup>73</sup> Added vide M.H.A. Notification No. 13/25/57-AIS(III), dated 23.07.1957 (GSR No. 2405, dt. 27.07.1957).

<sup>74</sup> [ ] Deleted vide Notification No. 11026/11/78-AIS(III), dated 04.08.1979. (GSR No. 1081, dt. 25.08.1979).



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- (i) the subscriber possesses or intends to acquire forthwith the right to build it on the site therefore;
- (ii) the subscriber has an approved plan;
- (iii) the construction shall commence within six months from the date of withdrawal of money and shall be completed within a period of one year from the date of commencement of construction;

15(1)(e) that in the case of withdrawal for the acquisition of a house—

- <sup>75</sup>(i) the subscriber has produced an agreement of sale together with the title deeds of the vendor, whether original or certified copies thereof, showing that the vendor has an indivisible and clear title to the land and house which he agrees to sell to the subscriber:

Provided that this condition shall not preclude withdrawal for the purpose of building a house on any plot of land taken on lease from the Government or from any local authority as defined in the General Clauses Act, 1897, including an improvement trust;

- (ii) the house shall be purchased or redeemed within three months from the date of withdrawal;

15(1)(f) that in the case of withdrawal for the purpose of repayment of loan, the subscriber has produced necessary deeds and papers before the Government proving his undisputed title to the land and the house thereon and the loan shall be repaid within three months from the date of withdrawal;

15(1)(g) <sup>76</sup>[ ]

<sup>77</sup>15(1) (h) that in the case of withdrawal for reconstruction of, or making additions or alterations to a house under clauses <sup>78</sup>(a) to (f) of sub-rule (1) of rule 12, the work shall commence within six months from the date such withdrawal and shall be completed within a period of one year from such commencement.

(2) A subscriber who has been permitted to withdraw money from the fund under the clause(c) of sub-rule (1A) of Rule 12 shall satisfy the Govt., within a period of six months from the date of withdrawal that the money has been utilized for the purpose for which it was withdrawn and if he fails to do so the whole of the sum so withdrawn or so much thereof as has not been applied for the purpose for which it was withdrawn shall forthwith be repaid in our lumpsum by the subscriber to the Fund, and in default of such payment it shall be ordered by the Government to be recovered from his emoluments either in a lumpsum or in such number of monthly instalments, as may be determined by the Government .

Provided that before repayment of withdrawal is enforced under the sub-rule, the subscriber shall be given opportunity to explain in writing and within fifteen days of receipt of the communications as to why the repayment should not be enforced and if

<sup>75</sup> Substituted, vide MHA Notification No. 13/2/57-AIS(III), dated 12.03.1957. (GSR No. 855, dt. 23.03.1957).

<sup>76</sup> Added with effect from 12.09.1955 vide M.H.A. Notification No. 13/28/56-AIS(III), dated 31.07.1957 (GSR No. 2543, dt. 10.08.1957) and deleted vide DP & T Notification No. 11026/12/84-AIS(III), dated 16.01.1986 (GSR No.82 dt. 01.02.1986)

<sup>77</sup> Introduced with effect from the 23.03.1957 vide M.H.A. Notification No. 13/12/57-AIS(III), dated 13.02.1958. (GSR No.31 dt. 22.02.1958)

<sup>78</sup> Substituted vide D.P. & A.R. Notification No. 11026/6/76-AIS(III), dated 28.11.1978 (GSR No. 1491, dt. 16.12.1978.)



the Govt. is not satisfied with the explanation or no explanation is submitted by the subscriber within the said period of 15 days, it shall be ordered by the Govt. to enforce the repayment in the manner prescribed in this sub-rule.

<sup>79</sup>**15—A. Conversion of an advance into a withdrawal.**— A subscriber who has already drawn or may draw in future an advance under rule 10 for any of the purposes specified in sub-rules (1), (1A) and 2 of rule 12 may convert at his discretion by a written request addressed to the Accounts officer through the Government the balance outstanding against it into a final withdrawal on his satisfying the conditions laid down in rules 12, 13, 14—A, 14—B, 14—C and 15.

**16. Annual declaration and production of documents:—**

- 16(1) A subscriber who has been permitted under clause (a) to (f) of sub-rule (1) of rule 12 to withdraw money from the amount standing to his credit in the Fund shall submit an annual declaration on or before the 31st December, in such form as may from time to time be prescribed by the Government, and satisfy the Government, if called upon to do so, by the production of tax receipts, title deeds, or documents, that the house remains in his sole ownership and that he has not parted with the possession thereof, by way of sale, mortgage, gift, exchange, or lease for a term exceeding three years, without the previous permission of the Government.
- 16(2) If at any time before retirement a subscriber parts with the possession of the house contrary to the provisions of sub-rule (1), the sum withdrawn by him shall forthwith be repayable <sup>80</sup>[ ] by the subscriber to the fund in one instalment <sup>81</sup>and in default of such repayment, it shall be ordered by the Government to be recovered from his emoluments either in a lump sum or in such number of monthly instalments, as may be determined by the Government; <sup>82</sup>[ ]

**17. Payment towards insurance policies:—** (1) Subject to the conditions hereinafter contained in this rule and in rules 18 to 26:—

- 17(1)(a) payment towards a policy of life insurance may, at the option of subscriber, be substituted in whole or in part for subscriptions due to the Fund.

<sup>83</sup>Provided that no insurance policies shall be allowed to be financed from the fund after the normal date of retirement; and any policies which before retirement were being financed from the Fund shall be re-assigned or handed over to the subscriber in accordance with the provisions contained in these Rules.

- 17(1)(b) the amount of subscription with interest thereon standing to the credit of a subscriber in the Fund may be withdrawn to meet—
- (i) a payment toward a policy of life insurance; and

<sup>79</sup> Inserted vide D.P. & A.R Notification No. 11026/4/80-AIS(III), dated 14.10.1980 (GSR No. 1133 dt. 01.11.1980), and amended vide DP & AR No 11026/7/86 AIS (III), dated 09.03.1986.

<sup>80</sup> Deleted vide Department of Personnel and A.R. Notification No. 11026/1/75-AIS(III), dated 16.04.1975. (GSR No. 515, dt. 26.04.1975).

<sup>81</sup> Introduced vide M.H.A. Notification No. 13/38/56-AIS(III), dated 02.05.1957. (GSR No. 1429, dt. 11.05.1957).

<sup>82</sup> Deleted vide D.P. & A.R. Notification No. 11026/1/75-AIS(III), dated 16.04.1975. (GSR 575, dt. 26.04.1975).

<sup>83</sup> Introduced vide M.H.A. Notification No. 8/8/58-AIS(III) dated 30.05.1959 (GSR No. 652, dt. 06.06.1959)



(ii) the purchase of a single payment insurance policy:

Provided that no amount shall be withdrawn—

- (i) before the details of the purposed policy have been submitted to the Account Officer and accepted by him as suitable, or
- (ii) to meet any payment or purchase made or effected more than six months before the withdrawal, or
- (iii) in excess of the amount required to meet premium actually due for payment within six months of the date of withdrawal:

Provided further that payments towards an educational endowment policy may not be substituted for subscriptions to the Fund and that no amount may be withdrawn to meet any payment or purchase in respect of such a policy if that policy is due for payment in whole or part thereof before the subscriber's age of normal superannuation:

Provided also that amounts withdrawn shall be rounded to the nearest whole rupee in the manner prescribed in clause (iv) of sub-rule (2) of rule 9.

- 17(2) The number of policies in respect of which substitution for subscriptions due to the Fund or withdrawal of subscriptions from the Fund may be permitted under this rule shall not exceed four:

Provided that where immediately before joining the Fund a member of the Service was a subscriber to any other non-contributory provident fund maintained by the Government, and substitution for subscriptions due to or withdrawal of subscriptions from that fund was permitted in respect of more than four policies, such substitution or withdrawal shall continue to be permitted in respect of these policies under this rule.

- 17(3) The premium for a policy in respect of which withdrawal of subscriptions may be permitted under this rule shall be payable annually and not otherwise.

*Explanation:*—In computing the maximum number of policies specified in sub-rule (2), policies which have matured shall be excluded.

**18. Payment of difference between substituted payments and minimum subscription:—**

- 18(1) If the total amount of any payments substituted under clause (a) of sub-rule (1) of rule 17 is less than the amount of the minimum subscription payable to the Fund under sub-rule (3) of rule 6, the difference shall be rounded to the nearest rupee in the manner provided in clause (iv) of sub-rule (2) of rule 9 and paid by the subscriber as a subscription to the Fund.
- 18(2) If the subscriber withdraws any amount standing to his credit in the fund for any of the purposes specified in clause (b) of sub-rule (1) of rule 17, he shall subject to his option under clause (a) of sub-rule (1) of the said rule continue to pay to the Fund the subscription payable under rule 6.



**19. Reduction of subscription in certain cases:—**(1) A subscriber who desires to substitute a payment under clause (a) of sub-rule (1) of rule 17, may reduce his subscription to the Fund accordingly:

Provided that the subscriber shall—

- 19(1)(a) intimate to the Account Officer on his pay bill or in writing the fact of, and reason for, the reduction;
- 19(1)(b) send to the Account Officer, within such period as the Account Officer may require, receipts or certified copies of receipts in order to satisfy the Account Officer that the amount by which the subscription has been reduced was duly applied for the purpose specified in clause (a) of sub-rule (1) of rule 17.
- 19(2) A subscriber who desires to withdraw any amount under clause (b) of sub-rule (1) of the rule 17 shall—
  - (a) intimate in writing the reasons for the withdrawal to the Account Officer;
  - (b) make arrangements with the Account Officer for the withdrawal; and
  - (c) send to the Account Officer within such period as the Account Officer may require, receipts or certified copies of receipts in order to satisfy the Account Officer that the amount withdrawn was duly applied for the purposes specified in clause (b) of sub-rule (1) of rule 17.
- 19(3) The Account Officer shall cause the recovery of any amount by which subscriptions have been reduced, or of any amount withdrawn, in respect of which he has not been satisfied in the manner required by clause (b) of sub-rule (1) and clause (c) of sub-rule (2),<sup>84</sup> [ ] from the emoluments of the subscriber and place it to the credit of the subscriber in the Fund:

<sup>84</sup> [ ]

**20. Government not to make payments to insurer on behalf of subscribers—**

- 20(1) The Government shall not make any payments on behalf of subscribers to the insurer nor take steps to keep policy alive.
- 20(2) A policy to be acceptable under these rules shall be one effected by the subscriber himself on his own life, and shall (unless it is a policy effected by a male subscriber which is expressed on the face of it to be for the benefit of his wife and children or any of them) be such as may be legally assigned by the subscriber to the Government.

*Explanation 1—*A policy on the joint lives of the subscriber and the subscriber's wife or husband shall be deemed to be a policy on the life of the subscriber for the purpose of this sub-rule.

*Explanation 2—*A policy which has been assigned to the subscriber's wife shall not be accepted unless either the policy is first reassigned to the subscriber or the subscriber and his wife both join in an appropriate assignment.

<sup>84</sup> Deleted vide D.P. & A.R. Notification No. 11026/1/75-AIS(III), dated 16.04.1975.(GSR No. 515, dt. 26.04.1975).



*Explanation 3*—The policy any not be effected for the benefit of may beneficiary other than the wife or husband of the subscriber of the wife or husband and children of the subscriber or any of them.

**21. Assignment of policies.—**

- 21(1) The policy within six months after the first withholding of a subscription or withdrawal from the Fund in respect of the policy, <sup>85</sup>or within six months of joining the Fund in the case of a member of the Service, who was previously subscribing to some other Provident Fund] or in the case of an insurer whose headquarters are outside India, within such further period as the Account Officer, if he is satisfied by the production of the completion certificate (interim receipt) may fix, shall—
- (a) unless it is a policy effected by a male subscriber which is expressed on the face of it to be for the benefit of the wife of the subscriber, and children, or any of them, be assigned <sup>86</sup>[further assigned] to the Government as security for the payment of any sum which may become payable to the fund under rule 25, and delivered to the Account Officer the assignment<sup>86</sup>[further assignment] being made endorsement on the policy in form Vi or form VII or form VIII or form IX or form X according as the policy is on the life of the subscriber or on the joint lives of the subscriber and the subscriber's wife or husband or the policy has previously been assigned <sup>86</sup> [further assigned] to the subscriber's wife, <sup>87</sup>[or the policy is on the life of the subscriber and was previously, assigned to the President/Governor in accordance with some other Provident Fund Rules or policy is on the joint lives of the subscriber and the subscriber's wife or husband and was previously assigned to the President/Governor in accordance with the some other Provident Fund Rules.]
- (b) if it is a policy effected by a male subscriber which is expressed on the facts of it to be for the benefit of the wife of the subscriber or of his wife and children or any of them, be delivered to the Account Officer.
- 21(2) The Account Officer shall satisfy himself by reference to the insurer when possible, that no prior assignment of the policy exists except in the case of a subscriber who prior to joining the Fund was subscribing to some other Provident Fund]
- 21(3) Once a policy has been accepted by a Account Officer for the purpose of being financed from the Fund, the terms of the policy shall not be altered nor shall the policy be exchanged for another policy without the prior consent of the Account Officer to whom details of the alteration or of the new policy shall be furnished.

<sup>85</sup> Introduced or substituted, vide M.H.A. Notification No. 13/43/57-AIS(III), dated 27.06.1958.(GSR No. 549, dt. 05.07.1958).

<sup>86</sup> Introduced or substituted, vide M.H.A. Notification No. 13/43/57-AIS(III), dated the 27.06.1958.(GSR No. 549, dt. 05.07.1958).

<sup>87</sup> [ ] Introduced or substituted, vide M.H.A. Notification No. 13/43/57-AIS(III), dated the 27.06.1958.(GSR No. 549, dt. 05.07.1958).



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- 21(4) If the policy is not assigned and delivered, or delivered, within the said period of six months or such further period as the Account Officer may under sub-rule (1), have fixed, any amount with—held or withdrawn from the Fund in respect of the policy shall [<sup>84</sup>] forthwith be paid or repaid, as the case may be, by the subscriber to the Fund, or, in default, be ordered by the Account Officer to be recovered by deduction from the emoluments of the subscriber, by instalments or otherwise, as may be directed by the Government:

<sup>84</sup>[ ]

- 21(5) Notice of assignment <sup>88</sup>[further assignment] of the policy shall be given by the subscriber to the insurer and the acknowledgement of the notice by the insurer shall be sent to the Account Officer within six months of <sup>88</sup>the date of assignment [<sup>89</sup>further assignment].<sup>89</sup>

**22. Bonus on policies**—The subscriber shall not during the currency of the policy draw any bonus, the drawal of which during such currency is optional under the terms of the policy, and the amount of any bonus which under the terms of the policy the subscriber has no option to refrain from drawing during its currency shall be paid forthwith into the Fund by the subscriber or in default recovered by deduction from his emoluments, by instalments or otherwise, as may be directed by the Government.

**23. Reassignment of Policies.**—(1) Save as provided by rule 26 when the subscriber—

- (a) quits the Service; or
- (b) has proceeded on leave preparatory to retirement and applies to the Account Officer reassignment or return of the policy; or
- (c) while on leave has been permitted to retire or is required to retire on grounds of ill-health and applies to the Account Officer for reassignment of return of the policy; or
- (d) pays or repays to the Fund the whole of any amount withheld or withdrawn from the Fund for any of the purposes mentioned in clauses (a) and (b) of sub-rule (1) of rule 17<sup>90</sup>]
- <sup>89</sup>(e) has completed twenty years of service (including broken periods of service, if any), the Account Officer shall—
  - (i) if the policy has been assigned <sup>91</sup>[further assigned] to the Government reassign the policy in form <sup>92</sup>[XI] to the subscriber, or to the subscriber and the joint assured, as the case may be, and make it over to the subscriber together with a signed notice of the reassignment addressed to the insurer;
  - (ii) if the policy has been delivered to him, make over the policy to the subscriber;

<sup>88</sup> [ ] Introduced or substituted ,vide M.H.A. Notification No. 13/43/57-AIS(III), dated the 27.06.1958.(GSR No. 549, dt. 05.07.1958).

<sup>89</sup> Inserted vide DP & AR Notification No. 11026/15/83-AIS(III),dated 23.09.1983. (GSR No.733 dt. 08.10.1983.)

<sup>90</sup> ibid note 28

<sup>91</sup> Submitted ,vide Deptt. of Personnel & A.R. Notification No. 11026/6/76-AIS(III), dated 28.11.1978. (GSR No.1491 dt. 16.12.1978).

<sup>92</sup> Submitted vide 11026/7/76-AIS (III), dated 17.11.1980 (GSR No. 1235, dt. 06.12.1980).



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Provide that if a subscriber to whom clause (b) or clause (c) applies return to duty, any policy so reassigned or made over shall, if it has not matured or been assigned or charged or encumbered in any way be again assigned to the Government and delivered to the Account Officer, or again be delivered to the Account Officer, as the case may be, in the manner provided in rule 21, and thereupon the provisions of these rules shall, so far as may be again apply in respect of the policy;

Provided further that, if the policy has matured or been assigned or charged or encumbered in any way, the provision of sub-rule (4) of rule 21 applicable to a failure to assign and deliver a policy shall apply: [ ]<sup>28</sup>

23(2) Save as provided by rule 26, when the subscriber dies before quitting the Service, the Account Officer shall—

- (i) if the policy has been assigned [further assigned]<sup>90</sup> to the Government reassign it in form XII to such person as may be legally entitled to receive it, and make it over to him together with a signed notice of the reassignment addressed to the insurer;
- (ii) if the policy has been delivered to him make it over to the beneficiary, if any, or if there is no beneficiary, to such person as may be legally entitled to receive it.

**24. Procedure on maturity of policies.—**<sup>91</sup> (1) If a policy assigned (further assigned) to the Government under rule 21 or under the <sup>92</sup> corresponding rule heretofore in force, matures before the subscriber quits service, or if a policy on the joint lives of a subscriber and the subscriber's wife or husband assigned under the said rule, or under the corresponding rule heretofore in force, falls due for payment by reasons of the death of the subscriber's wife or husband, the Accounts Officer shall, save as provided by rule 26, realise the amount assured together with any accrued bonuses and shall place the amount so realised to the credit of the subscriber in the Fund;

<sup>92</sup> Provided that if the amount assured together with the amount of any accrued bonus is more than the whole of the amount withheld or withdrawn, it shall be the duty of the subscriber to inform the Account Officer in writing, within a month from the date of maturity of the policy, whether the difference or a part of the difference as specified by the subscriber be paid to him; and it shall be the duty of the Accounts Officer to act in accordance with the option of the subscriber.

NOTE — If no option is exercised by the subscriber in writing to the Account Officer within the period prescribed, he shall be deemed to have opted to deposit the differences in his account in the fund such deposit will be merged in the amount standing to the subscribers' credit in the Fund.

24 (2) Save as provided by rule 26, if a policy delivered to the Account Officer under rule 21 matures before the subscriber quits the Service, the Account Officer shall make over the policy to the subscriber:

Provided that if the interest in the policy of the wife of the subscriber, or of his wife and children, or any of them as expressed on the face of the policy, expires when the policy matures, the subscriber, if the policy moneys are paid to him by the insurer, shall immediately on receipt thereof, pay or repay to the Fund either—

- (i) the whole of any amount withheld or withdrawn from the Fund in respect of the policy





<sup>93</sup> [ ], or

- (ii) an amount equal to the amount assured together with any accrued bonuses thereon whichever is less, and in default, the provisions of sub-rule (4) of rule 21 applicable to a failure to assign and deliver a policy shall apply.

<sup>93</sup> [ ]

**25. Lapse or wrongful assignment of policies.**— If the policy lapses, or is assigned otherwise than to the Government under rule 21, charged or encumbered, the provisions of sub-rule (4) of rule 21 applicable to a failure to assign and deliver a policy shall apply.

**26. Duty of Account Officer when he receives notice of assignment, charge or encumbrance of policies**—if the Account Officer receives notice of—

- (a) an assignment (otherwise than an assignment to the Government under rule 21), or
- (b) a charge or encumbrance on, or
- (c) an order of a Court restraining dealings with the policy or any amount realised thereon, the Account Officer shall not—
  - (i) reassign or make over the policy as provided in rule 23, or
  - (ii) realise the amount assured by the policy or reassign, or make over the policy, as provided in rule 24; but shall forthwith refer the matter to the Government.

<sup>94</sup>26—A. **Restriction of the provisions relating to financing of policies to existing subscribers in respect of existing policies.**—The provisions of rules 17 to 26 shall apply only to the subscribers who, before 1st October, 1967 have been substituting in whole or in part payment towards policies of life insurance for subscription to the fund or making withdrawals from the Fund for such payment:

Provided that the subscribers aforesaid shall not be permitted to substitute such payments for subscriptions due to the Fund withdrawn from the Fund for making payments in respect of any new policy.

**27. Wrongful use of advance.**— Notwithstanding anything contained in these rules, if the Government is satisfied that the money drawn as an advance from the Fund under rule 10 or withheld or withdrawn from the Fund under rule 17 or any portion thereof has been utilised for a purpose other than that for which sanction was given to the drawal, withholding, or withdrawal of the money, the amount in question or any portion thereof shall <sup>95</sup>[ ] forthwith be repaid or paid as the case may be, by the subscriber to the Fund or in default be caused by the Government to be recovered from the subscriber's emoluments even if he be on leave in one or more instalments as it thinks fit:

Provided that the subscribers whose deposits in the Fund carry no interest shall not be required to pay any interest.

<sup>93</sup> Deleted vide Department of Personnel and A.R. Notification No. 11026/1/75-AIS(III), dated 16.04.1975. (GSR No. 515, dated 26.04.1975).

<sup>94</sup> Added vide MHA Notification 5/12/64-AIS(II) dated 10.10.1967 (GSR No. 1549, dt. 21.10.1967).

<sup>95</sup> Deleted vide DP & AR Notification No. 11026/1/75-AIS (III) dated 16.04.1975 (GSR No. 515, dt. 26.04.1975).



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*Explanation.*— The expression “emoluments” in this rule does not include a subsistence allowance.

<sup>96</sup>Provided further that if the sanctioning authority has reason to doubt that money drawn as an advance from the Fund under rule 10 has been utilised for a purpose other than that for which sanction was given to the drawal of the money the said authority shall communicate to the subscriber the reasons for his doubt and require him to explain in writing, and within fifteen days of the receipt of such communication, whether the advance has been utilised for the purpose for which sanction was given to the drawal of the money. If the sanctioning authority is not satisfied with the explanation or no explanation is furnished by the subscriber within the said period of fifteen days, the sanctioning authority shall enforce the repayment in the manner prescribed in this rule.

**28. Final withdrawal of accumulations in the Fund.**— When a subscriber quits the Service, the amount standing to his credit in the Fund shall become payable to him :

Provided that a subscriber, who has been dismissed or removed or compulsorily retired from the service and is subsequently reinstated in the service under the relevant provisions of the All India Services (Discipline and Appeal) Rules <sup>97</sup>1969, shall if required to do so by the Government, repay any amount paid to him from the Fund in pursuance of this rule, with interest thereon at the rate provided in rule 9, and in the manner provided in the proviso to rule 29. The amount so repaid shall be credited to his account in the fund.

Provided further that the subscribers whose deposits in the Fund carry no interest shall not be required to pay any interest.

<sup>98</sup>28A. Deleted.

### **29. Retirement of subscriber.**—

29(1) <sup>99</sup>When a subscriber—

- (a) has proceeded on leave preparatory to retirement, or
- (b) while on leave, has been permitted to retire or is required to retire on grounds of ill-health, the amount standing to his credit in the Fund shall, upon application made by him in that behalf to the Accounts Officer, become payable to the subscriber:

Provided that the subscriber, if he returns to duty, shall, if required to do so by the Government, repay to the Fund for credit to his account, the whole or part of any amount paid to him from the fund in pursuance of this rule with interest thereon at the rate provided in rule 9, in cash or securities or partly in cash and partly in securities, by instalments or otherwise, by recovery from his emoluments as may be directed by the Government;

Provided further that the subscribers whose deposits in the Fund carry no interest shall not be required to pay any interest.

<sup>96</sup> Inserted vide DP & AR Notification No. 11026/19/83-AIS(III) dated 22.07.1983.(GSR No.714 dt. 03.08.1985)

<sup>97</sup> Amended vide DP & AR Notification No. 6-4-77-AIS(II) dated 21.11.1977 (GSR No. 1657 dt. 10.12.1977).

<sup>98</sup> Deleted vide DP & AR Notification No. 11026/1/75-AIS (III) dated 16.04.1975 (GSR No. 515, dt. 26.04.1975).

<sup>99</sup> Renumbered vide DP Notification No. 31-1-72-AIS(III), dated 01.10.1972



## How to Grow Money – Part II

- (2) <sup>100</sup>The account of each Indian Civil Service member of Indian Administrative Service shall be credited on his retirement, or previous death, with a sum of Rs. 6,000.

**30. Procedure on death of subscriber.**—On the death of a subscriber before the amount standing to his credit has become payable, or where the amount has become payable, before payment has been made—

- 30(i) when the subscriber leaves a family—
- (a) if a nomination made by the subscriber in accordance with the provisions of rule 4 in favour of a member or members of his family subsists, the amount standing to his credit in the Fund or part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination.
  - (b) if no such nomination in favour of a member or members of the family of the subscriber subsists, or if such nomination relates only to a part of the amount standing to his credit in the Fund, whole amount or the part thereof to which the nomination does not relate, as the case may be, shall, notwithstanding any nomination purporting to be in favour of any person or persons other than a member or members of his family, become payable to the members of his family in equal shares:

Provided that no share shall be payable to—

- (i) sons who have attained legal majority;
- (ii) sons of a deceased son who have attained legal majority;
- (iii) married daughters whose husband are alive; or,
- (iv) married daughters of a deceased son where husbands are alive;

if there is any member of the family other than those specified in clauses (i), (ii), (iii) and (iv);

Provided further that the widow or widows and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the subscriber and had been exempted from the provisions of clause (i) of the first proviso.

- 30(ii) when the subscriber leaves no family:— if, nomination made by him in accordance with the provisions, of rule 4 in favour of any person or persons subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination.
- 30(iii) nominee(s) or any other claimant(s) may claim final payments of balance, in the Provident Fund Account in the prescribed form XIV.

**31. Manner of payment of amount to credit in the Fund.**—

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<sup>100</sup> Inserted vide DP Notification No. 31-1-72-AIS(III) dated 01.10.1972.



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How to Grow Money – Part II

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31(1) When the amount standing to the credit of a subscriber in the Fund becomes payable, it shall be the duty of the Account Officer to make payment as provided in section 4 of the Provident Fund Act, 1925 (XIX of 1925) <sup>101</sup> on receipt of an application from the subscriber in the prescribed form XV.

31(2) If the person to whom, under these rules, any amount of policy to be paid, assigned, reassigned or delivered, is a lunatic for whose estate a manager has been appointed in this behalf under the Indian Lunacy Act, 1912 (IV of 1912), the payment, or reassignment or delivery shall be made to such manager and not to the lunatic.

<sup>102</sup> Provided that where no manager has been appointed and the person to whom the sum is payable is certified by a Magistrate to be lunatic, the payment shall, under the orders of the Collector be made in terms of sub-section (1) of section 95 of the Indian Lunacy Act, 1912 to the person having charge of such lunatic and the accounts officer shall pay only the amount which he thinks fit to the person having charge of the lunatic and the surplus if any shall be paid for the maintenance of such members of the lunatics family as are dependent on him for maintenance.

<sup>103</sup> 31 (3) Payments of the amount withdrawn shall be made in India only. The persons to whom the amounts are payable shall make their own arrangements to receive payment in India. The following procedure shall be adopted for claiming payments by a subscriber namely:—

31(3) (i) To enable a subscriber to submit an application for withdrawal of the amount in the Fund, the Head of Office shall send to every subscriber necessary forms either one year in advance of the date on which the subscriber attains the age of superannuation, or before the date of his anticipated retirement, if earlier, with instructions that they should be returned to him duly completed within a period of one month from the date of receipt of the forms by the subscriber. The subscriber shall submit the application to the Accounts Officer through the Head of Office or Department for payment of the amount in the Fund. The application shall be made:—

- (a) for the amount standing to his credit in the Fund as indicated in the Accounts Statement for the year ending one year prior to the date of his superannuation, or his anticipated date of retirement, or
- (b) for the amount indicated in his ledger account in case the Accounts Statement has not been received by the subscriber.

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<sup>101</sup> Inserted vide M.H.A. Notification No. 5/1/69-AIS (III), dated 01.01.1970 (GSR. No. 55, dt. 10.01.1970).

<sup>102</sup> Inserted vide M.H.A. Notification No. 5/14/70-AIS(II), dated 02.04.1971 (GSR. No. 536, dt. 17.04.1971).

<sup>103</sup> Substituted, vide Deptt. of Personnel and A.R. Notification No. 11026/4/77-AIS(III), dated 21.11.1977 (GSR No.1657 dt. 10.12.1977)



## How to Grow Money – Part II

- <sup>104</sup>31(3) (ii) the subscriber shall make another application immediately after the last fund deduction has been made and the exemption from subscription to the fund has begun to operate, for the payment of subscriptions made by him and the recoveries effected against advances, if any, during the periods not covered by the first application referred to at (1) above.
- 31(3) (iii) The Head of Office/Department shall forward the applications to the Accounts Officer indicating the advances taken and the recoveries effected against the advance which are still current and the number of instalments yet to be recovered in respect of each advance and also indicate the withdrawals, if any, taken by the subscriber;
- 31(3) (iv) The Accounts Officer shall after verification with the ledger account issue an authority for the consolidated amount indicated in the two applications referred to (i) & (iii) above at least a month before the date of superannuation but payable on the date of the superannuation;
- 31(3) (v) The authority mentioned in clause (iii) will constitute the first instalment of payment. A second authority for payment will be issued as soon as possible after superannuation. This will be related to the contribution made by the subscriber subsequent to the amount mentioned in the application submitted under clause (i) plus the refund of instalments against advances which are current at the time of the first application.
- 31(3) (vi) After forwarding the application for the final payment to the Accounts Officer, advance/withdrawal may be sanctioned but the amount of advance/withdrawal shall be drawn on an authorisation from the Account Officer concerned who shall arrange this as the formal sanction of sanctioning authority is received by him.
- 31(4) When the amount standing to the credit of a subscriber has become payable under rule 28, 29 or 30 the Accounts Officer shall authorise prompt payment of the amount in the manner indicated in sub-rule (3).

**32. Method of maintaining accounts.**—All sums paid into the Fund under these rules shall be credited in the books of the Government to an account named “The All India Service Provident Fund”. Sums of which payment has not been taken within six months after they become payable under these rules shall be transferred to “Deposits” at the end of the year and treated under the ordinary rules relating to deposits.

**33. Number of account to be quoted at the time of payment of subscription.**—When paying a subscription, either by deduction from emoluments or in cash, a subscriber shall quote the number of his account in the Fund, which shall be communicated to him by the Account Officer. Any change in the number shall similarly be communicated to the subscriber by the Accounts Officer.

<sup>104</sup> Inserted and amended vide Notification No. 11026/15/84-AIS(III), dated 22.10.1986. (GSR No.932 dt. 01.11.1986)



**34. Annual statements of accounts to be supplied to subscriber.—**

- 34(1) As soon as possible after the close of each year, the Account Officer shall send to each subscriber a statement of his account in the Fund showing the opening balance as on the 1st April of the year, the total amount credited or debited during the year, the total amount of interest credited as on the 31st March of the year and the closing balance on that date. The Account Officer shall attach to the statements of account an enquiry whether the subscriber—
- (a) desires to make any alteration in any nomination made;
  - (b) has acquired a family in a case where the subscriber has made no nomination in favour of a member of his family.
- 34(2) Subscribers should satisfy themselves as to the correctness of the annual statement, and errors should be brought to the notice of the Account Officer within three months from the date of receipt of the statement.
- 34(3) The Account Officer shall, if required by a subscriber, once, but no more than once, in a year inform the subscriber of the total amount standing to his credit in the Fund at the end of the last month for which his account has been written up.

**35. Relaxation of the provisions of the rules in individual cases.—** When the Government is satisfied that the operation of any of these rules causes or is likely to cause undue hardship to a member of the Service, it may, after recording the reasons for so doing and notwithstanding anything contained in those rules, deal with the case of such member in such manner as may appear to it to be just and equitable:

Provided that the case shall not be dealt with in any manner less favourable to such member than that prescribed in these rules.

<sup>105</sup>*Explanation.*— For the purpose of this rule Government, in relation to a member of the Service borne on a joint Cadre serving in connection with the affairs of a Constituent State, means the Joint Cadre Authority.

**36. <sup>106</sup>Interpretation.**—If any question arises as to the interpretation of these rules, the Central Government shall decide the same.

37. <sup>107</sup>[ ]

<sup>105</sup> Inserted vide Deptt. of Personnel Notification No. 13/4/71-AIS(I) dated 11.01.1972.

<sup>106</sup> Substituted vide DP & AR Notification No. 7/1/73-AIS(III), dt. 02.01.1975 (GSR No.41, dt. 18.01.1975).

<sup>107</sup> Omitted vide DP Notification No. 31/7/72-AIS(III) dated 22.05.1973



## How to Grow Money – Part II

### FORM 1

[Rule] 4(3)]

*When the subscriber has a family and wishes to nominate one member thereof—*

I hereby nominate the person mentioned below, who is a member of my family as defined in rule 2 of the All India Services (Provident Fund) Rules, 1955, to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become payable has not been paid:—

Name and address of nominee	Relationship with subscriber	Age/Contingencies on the happening of which the nomination shall become invalid	Name, address and relationship of the person or persons if any to whom the right of the nominee shall pass in the event of his predeceasing the subscriber <sup>108</sup> [ ]
-----------------------------	------------------------------	---	---

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20 at \_\_\_\_\_

Two witnesses to signature

1. \_\_\_\_\_
2. \_\_\_\_\_

\_\_\_\_\_  
Signature of Subscriber.

### FORM II

[Rule 4(3)]

*When the subscriber has a family and wishes to nominate more than one member thereof—*

I, hereby nominate the persons mentioned below, who are members of my family as defined in rule 2 of the All India Services (Provident Fund) Rules, 1955, to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become payable has not been paid, and direct that the said amount shall be distributed among the said persons in the manner shown below against their names:—

Name and address of nominees	Relationship with subscriber	Age	<sup>109</sup> Amount or share of accumulation to be paid to each	Contingencies on the happening of which the nomination shall become invalid	Name, address of the person or persons if any to whom the right of the nominee shall pass in the event of his predeceasing the subscriber <sup>110</sup>
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Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20 at \_\_\_\_\_

Two witnesses to signature

<sup>108</sup> The words or no the happening of the contingency or contingencies a specified in the previous column deleted vide MHA Notification No. 5/10/59-AIS II dated the 19.08.1959.(GSR No.982 dt. 29.08.1959)

<sup>109</sup> NOTE- Where a subscriber who has no family makes a nomination, he shall specify in this column that the nomination shall become valid in the event of his subsequently acquiring a family.

<sup>110</sup> Ibid note 108



## How to Grow Money – Part II

1.

2.

Signature of Subscriber

### FORM III

[Rule 4(3)]

*When the subscriber has no family and wishes to nominate one person—*

I, having no family as defined in rule 2 of the All India Services (Provident Fund) Rules, 1955, hereby nominate the persons mentioned below to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become payable has been paid:—

Name and address of nominee	Relationship with subscriber	Age	<sup>111</sup> Contingencies on the happening of which the nomination shall become invalid	Name, address and relationship of the person or persons if any to whom the right of the nominee shall pass in the event of his predeceasing the subscriber <sup>112</sup> [ ]
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Dated this

day of

20 at

Two witnesses to signature

1.

2.

Signature of Subscriber.

### FORM IV

[Rule 4(3)]

*When the subscriber has no family and wishes to nominate more than one person—*

I, having no family as defined in rule 2 of the All India Services Provident Fund) Rules, 1955, hereby nominate the persons mentioned below to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount become payable, or having become payable has not been paid, and direct that the said amount shall be distributed among the said persons in the manner shown below against their names:—

<sup>111</sup>The words or no the happening of the contingency or contingencies a specified in the previous column deleted vide MHA Notification No. 5/10/59-AIS II dated the 19.08.1959. (GSR No.982 dt. 29.08.1959)

<sup>112</sup> Note : where a subscriber who has no family makes a nomination, he shall specify in this column that the nomination shall become invalid in the event of his subsequently acquiring a family.





## How to Grow Money – Part II

Name and address of nominees	Relationship with subscriber	Age	<sup>113</sup> Amount or share of accumulation to be paid to each	<sup>114</sup> Contingencies on the happening of which the nomination shall become invalid	Name, address and relationship of the person or persons if any to whom the right of the nominee shall pass in the event of his predeceasing the subscriber
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Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20 at \_\_\_\_\_

Two witnesses to signature

1. \_\_\_\_\_

2. \_\_\_\_\_

Signature of Subscriber.

NOTE : Where a subscriber who has no family makes a nomination, he shall specify in this column that the nomination shall become invalid in the event of his subsequently acquiring a family.

### FORM IV A

<sup>115</sup>[Rule 12(3)]

*When the subscriber wishes to take part—final withdrawal.*

Shri.....was last sanctioned a part—final withdrawal by this office for an amount of Rs.....vide.....after the statement of his accounts for the year.....was issued by the Accounts Officer.

Signature of sanctioning Authority.

### FORM IV B

[Rule 12 (3)]

*When the subscriber wishes to take part—final withdrawal.*

Shri.....is understood (as stated by him) to have been last sanctioned a part—final withdrawal of Rs.....by.....

Signature of sanctioning Authority.

### FORM V

<sup>113</sup> Inserted vide D.P. & A.R. Notification N..11026/4/77-AIS(III) dated 21.11.1977 (GSR No.1657 dt. 10.12.1977)

<sup>114</sup> This form was introduced with effect from 03.01.1956 vide MHA Notification No.13/28/56 (AIS-II) dated 31.07.1957 (GSR No.2543 dt. 10.08.1957)

<sup>115</sup> Ibid note 113



**How to Grow Money – Part II**

<sup>116</sup>[Rule 15(1)(g)]

**FORM VI**

[Rule 21(1) (a)]

I, A.B. of..... herby assign unto the President of India /Governor of the State of.....the within policy of assurance as security for payment of all sums which under rule 25 of the All India Services (Provident Fund) Rules, 1955, I may hereafter become liable to the All India Services Provident Fund.

I hereby certify that no prior assignment of the within policy exists.

Dated this.....day of.....20

Station

Signature of Subscriber.

One witness to signature.

NOTE :— The assignment may be executed on the policy itself either in the subscriber's handwriting or in type, or alternatively a typed or printed slip containing the assignment may be pasted on the blank space provided for the purpose on the policy. A typed or printed endorsement must be duly signed and if pasted on the policy, it must be initialised across all four margins.

**FORM VII**

[Rule 21(1) (a)]

We, A.B. (the subscriber)of.....and C.D. (the joint assured).....in consideration of the ..... <sup>117</sup>President of India/ Governor of the State of.....agreeing at our request to accept payments towards the within policy of assurance in substitution for the subscription payable by me the said A.B. to the All India Services Provident Fund (or, as the case may be, to accept the withdrawal of the sum of Rs.....from the sum to the credit of the said A.B. in the All India Services Provident Fund for payment of the premium of the within policy of assurance), hereby jointly and severally further assign unto the said. \*President of India/Governor of the State of.....the within policy of assurance as security for payment of all sums which under rule 25 of All India Services (Provident Fund) Rules, 1955, the said A.B. may hereafter become liable to pay to that Fund.

We hereby certify that no prior assignment of the within policy exists.

Dated this .....day of.....20

Station

<sup>116</sup> This form was introduced with effect from 03.01.1956 vide MHA Notification No.13/28/56 (AIS-II) dated 31.07.1957 (GSR No.2543 dt. 10.08.1957) and omitted vide DP&T Notification No.11026/12/84-AIS(III) dated 16.01.1986(GSR No.982 dt. 01.02.1986)

<sup>117</sup> Strike off the alternative which does not apply



**How to Grow Money – Part II**

Signature of Subscriber and the Joint Assured,  
One witness of signature.

NOTE. — The assignment may be executed on the policy itself either in the subscriber's handwriting in type or alternatively a type or printed slip containing the assignment may be pasted on the blank space provided for the purpose on the policy. A type or printed endorsement must be duly signed and if pasted on the policy, it must be initialled across all four margins.

**FORM VIII**

[Rule 21(1)(a)]

I, C.D., wife of A.B., and assignee of within policy, having, at the request of A.B. the assured, agreed to release my interest in the policy in favour of A. B., in order that A.B. may be assign the policy to the.....<sup>118</sup>President of India/Governor of the State of.....who has agreed to accept payments towards the within policy of assurance in substitution for the subscriptions payable by A.B. to the All India Services Provident Fund hereby at the request and by the direction of A.B. assign and I the said A.B. assign and confirmed unto the

<sup>119</sup>President of India/Governor of the State of.....the within policy of assurance as security for payment of all sums which under rule 25 of the rules of the Fund the said A.B. may thereafter become liable to pay to the Fund.

We hereby certify that no prior assignment of the within policy; exists.

Dated this.....day of.....20

Signature of the assignee and the subscriber.  
One witness to signature.

**FORM IX**

[Rule 21(1)(a)]

I, A.B. of .....hereby further assign unto the

<sup>120</sup>President of India/Governor of the State of.....the within policy of assurance as security for payment of all sums, which under rule 25 of the All India Services (Provident Fund) Rules, 1955, I may hereafter become liable to pay to the All India Services Provident Fund.

<sup>118</sup> Strike off the alternative which does not apply

<sup>119</sup> Strike off the alternative which does not apply

<sup>120</sup> Strike off the alternative which does not apply



## How to Grow Money – Part II

I hereby certify that except an assignment to the <sup>121</sup>President of India/Governor of the State of.....as security for payment of all sums, which I have become liable to pay under rule.....of the .....Provident Fund Rules, no prior assignment of the within policy exists.

Dated this.....day of.....20

Station

Signature of Subscriber  
One witness to signature.

### FORM X

<sup>122</sup>[Rule 21(1)(a)]

We, A.B. (the subscriber) of.....and C.D. (the joint assured) of.....in consideration of the.....<sup>123</sup>President of India/Governor of the State of .....agreeing at our request to accept payments towards the within policy of assurance in substitution for the subscriptions payable by me the said A.B. to the All India Services Provident Fund (or, as the case may be, to accept the withdrawal of the sum of Rs..... from the sum to the credit of the said A.B. in the All India Services Provident Fund for payment of the premium of the within policy of assurance), hereby jointly and severally further assignment unto the said.

<sup>124</sup>President of India/Governor of the State of..... the within policy of assurance as security for payment of all sums which under the rule 25 of the All India Services (Provident Fund) Rules, 1955, the said A.B. may hereafter become liable to pay to the Fund.

We hereby certify that except an assignment to the <sup>125</sup>President of India/Governor of the State of.....as the security for payment of all sums, which the said A.B. has become liable to pay under rule .....of the .....Provident Fund Rules, no prior assignment of the within policy exists.

Dated this.....day of.....20

Station

Signature of Subscriber, and joint Assured,  
One witness to signature.

### FORM XI

[Rule 23(1)(i)]

All sums which have become payable by the above named. A.B. under rule 25 of the All India Services (Provident Fund) Rules, 1955, having been paid and all liability for payment by him of such sum in the future having ceased, the.....<sup>126</sup>President of India/Governor of the State of.....doth here by reassign the within policy of assurance to the said <sup>127</sup>A.B. and C.D.

<sup>121</sup> Strike off the alternative which does not apply

<sup>122</sup> Introduced vide MHA Notification No.13/43/57-AIS-III dated 27.06.1958(GSR No.549 dt. 05.07.1958)

<sup>123</sup> Strike off the alternative which does not apply

<sup>124</sup> Strike off the alternative which does not apply

<sup>125</sup> Strike off the alternative which does not apply

<sup>126</sup> Strike off the alternative which does not apply

<sup>127</sup> Strike off the alternative which does not apply



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A.B.

Dated this .....day of.....20

Executed by .....Account Officer of the Fund for and on behalf of the \*President of India/ Governor of the State of.....in the presence of.....

X.Y.

(Signature of Account Officer)

(One witness who should add his designation and address).

**FORM XII**

[Rule 24(1)(i)]

The above—named A.B. having died on the.....day of.....20....., <sup>128</sup>President of India/Governor of the State of.....doth hereby reassign the within policy of assurance to C.D..... doth hereby reassign the within policy of assurance to C.D. ....

Date the.....day of.....20.....

Executed by.....Account Officer of the Fund for and on behalf of the <sup>129</sup>President of India/Governor of the State of ..... in the presence of

X.Y.

(Signature of Account Officer)

Y.Z.

(One witness who should add his designation and address).

(Signature of Account Officer)

**FORM XIII**

[Rule 24(1)(i)]

<sup>130</sup>President of India/Governor of the State of.....both hereby reassign the within policy of assurance.

A. B.

to\_\_\_\_\_

A.B and C.D

Dated the .....day of.....20

<sup>128</sup> Strike off the alternative which does not apply

<sup>129</sup> Strike off the alternative which does not apply

<sup>130</sup> Strike off the alternative which does not apply



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Executed by .....Account Officer of the Fund for and on  
behalf of the <sup>131</sup>President of India/Governor of the State of ..... in  
the presence of

X.Y.

(Signature of Account Officer)

Y.Z.

(One witness who should add his designation and address).

(Signature of Account Officer)

[No.12/1/54-AIS-II dated 12.09.1955]

<sup>132</sup>**FORM XIV**

[Rule 30(ii)]

Form of application for final payment of balances in the provident fund account of a subscriber to be used by the nominees or any other claimants where no nomination subsists.

To

The Accountant General,  
\_\_\_\_\_

(Through the Head of Office)

Sir,

It is requested that arrangements may kindly be made for the payment of the accumulations in the Provident Fund Account of Shri/Shrimati..... The necessary particulars required in this connection are given below:—

1. Name of the Government Servant.
2. Date of birth.
3. Post held by the Government servant.
4. Date of death.
5. Proof of death in the forms of a death certificates issued by the municipal authorities etc., if available.
6. Provident Fund Account Number allotted to the subscriber.
7. Amount of Provident Fund money standing to the credit of the subscriber at the time of his death, if known
8. Details of the nominees alive on the date of death of the subscriber if a nomination subsist.

Name of the Nominee	Relationship with the subscriber	Share of nominee

<sup>131</sup> Strike off the alternative which does not apply

<sup>132</sup> Inserted vide MHA Notification No.5/1/69-AIS(II) dated 01.10.1970 (GSR No.55 dt.10.01.1970)



## How to Grow Money – Part II

- 1.
- 2.
- 3.

9. In case the nomination is in favour of a person other than a member of the family, the details of the family if the subscriber subsequently acquired a family.

Name	Relationship with the subscriber	Age on the date of death
------	----------------------------------	--------------------------

- 1.
- 2.
- 3.

10. In case no nomination subsists, the details of the surviving members of the family on the death of the subscriber. In the case of a daughter or of a daughter of a deceased son of the subscriber, married before the death of the subscriber, it should be stated against her name whether her husband was alive on the date of death of the subscriber.

Name	Relationship with the subscriber	Age on the date of death
------	----------------------------------	--------------------------

- 1.
- 2.
- 3.

11. In the case of amount due to a minor child whose mother (widow of subscriber) is not a Hindu, the claim should be supported by Indemnity Bond or Guardianship certificate, as the case may be.

12. If the subscriber has left no family and no nomination subsists, the names of persons to whom the Provident Fund money is payable (to be supported by letter of probate or succession certificate etc.)

Name	Relationship with the subscriber	Address
------	----------------------------------	---------

- 1.
- 2.
- 3.

13. Religion of the claimant(s)

14. The payment is desired <sup>133</sup>through the office of.....through the ..Treasury/Sub—Treasury. In this connection the following documents duly attested by a Gazette Officer in Service/ Magistrate are attached.

- (i) Personal marks of identification.
- (ii) Left/Right hand thumb and finger impressions (in the case of illiterate claimants).
- (iii) Specimen signature in duplicate (in the case of literate claimants.)
- (iv) Photographs in duplicate.

<sup>133</sup> This applies only when payment is not desired through the Head of Office



How to Grow Money – Part II

Yours faithfully,  
(Signature of claimant)  
Full name and Address

Station .....

Date.....

(FOR USE OF HEAD OF OFFICE/DEPARTMENT)

Forwarded to the Accountant General.....for necessary action. The particulars furnished above have been duly verified.

2. The Provident Fund Account No.....of Shri/Smt/Kumari(As verified from the annual statement furnished to him/her) is .....

3. He/She died on.....A death certificate issued by the Municipal authorities has been produced/is not required in this case as there is no doubt about his/her death.

4. The last fund deduction was made from his/her pay for the month of.....drawn in this office Bill.....No..... dated.....for Rs.....(Rupees.....) Cash Voucher No..... of.....Treasury the amount of deduction being Rs..... and recovery on account of refund of advance Rs.....

5. Certified that he/she was neither sanctioned any temporary advance nor any final withdrawal from his/her Provident Fund Account during the 12 months immediately preceding the date of his/her death.

OR

Certified that the following temporary advances/final withdrawals were sanctioned to him/her and drawn from his/her Provident Fund Account during the 12 months immediately preceding the date of his/her death.

Amount of advances /withdrawal	Date of place of encashment	Voucher No.
--------------------------------	-----------------------------	-------------

1.

2.

3.

6. Certified that no amount was withdrawn/the following amounts were withdrawn from his/her Provident Fund Account during the 12th months immediately preceding the date of his/her death for payment of insurance premier or for the purchase of a new policy.

Policy No. and name of the company No.	Amount	Date	Voucher
--	--------	------	---------

1.

2.





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3.

7. It is certified that no demands of /following demands Government are due for recovery.

(Signature of the Head of Office/Deptt.)

Note.— Certificate No. 7 to be furnished in the case of C.P.F. only

<sup>134</sup>“FORM” XV”

[Rule 31(1)]

Form of Application for Final Payment/of Balances in the\_\_\_\_\_ Provident Fund Account.

To

The Pay and Accounts Officer/Accountant General,

\_\_\_\_\_  
(Through the Head of Office)

Sir,

I am due to retire/have retired/have proceeded on leave preparatory to retirement for \_\_\_\_\_months/have been discharged/dismissed/have permanently been transferred to service/have resigned service under\_\_\_\_\_Government to take up appointment with \_\_\_\_\_ and my resignation has been accepted with effect from\_\_\_\_\_ forenoon/afternoon, I joined service with\_\_\_\_\_on\_\_\_\_\_forenoon/afternoon.

2. I request that the entire amount at my credit with interest due under the rules may be paid to me through\_\_\_\_Treasury/Sub—Treasury. My Provident Fund Account No. is \_\_\_\_\_

**PART—I**

*(To be filled in when the application for final payment is submitted upto one year prior to retirement.)*

3. An amount of Rs.\_\_\_\_\_ stood to the credit in my Provident Fund Account as indicated in the Accounts statement issued to me for the year \_\_\_\_\_as appearing in my ledger account being maintained by you. I request you that my Provident Fund Account may be reviewed and brought up-to-date.

4. The undermentioned Life Insurance Policies were being financed by me from my Provident Fund Account.

Number	Name of the Company	Sum assured.
1.	_____	_____
2.	_____	_____

<sup>134</sup> Modified vide DP&T Notification No.11.26/15/84-AIS-III dated 22.10.1986



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3. \_\_\_\_\_

5. I will make another application immediately after last fund deduction has been made from my salary, in part II of the Form.

Yours faithfully,

Signature\_\_\_\_\_

Station\_\_\_\_\_

Date\_\_\_\_\_

Name \_\_\_\_\_

Address\_\_\_\_\_

\_\_\_\_\_

**(FOR USE BY HEADS OF OFFICE)**

Forwarded to the pay and Accounts officer/Accountant General,\_\_\_\_\_ for necessary action.

2. The Provident Fund Account No. /of Shri/Smt./Kum.\_\_\_\_\_ as verified from the statement issued to him/her from year\_\_\_\_\_.

3. He/She is due to retire form Govt. Service with effect from \_\_\_\_\_afternoon.

4. Certified that he/she had taken the following advances in respect of which\_\_\_\_\_ instalments of Rs.\_\_\_\_\_are yet to be recovered and credited to the Fund Account. The details of the final withdrawals granted to him/her after the period covered by the aforesaid accounts Statements are as indicated below:—

Temporary advances	Final withdrawals
1. _____	_____
2. _____	_____
3. _____	_____

Signature of the Head of Office

**PART II**

(To be submitted by the subscriber immediately after the last fund deduction has been made from his salary. This part is also applicable in the case of subscribers who



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apply for final payment for the first time after the date of superannuation, discharge, resignation etc.)

In continuation of my earlier application, dated for \_\_\_\_\_ for the final payment of Provident Fund balance, I request that entire balance at my credit with interest due under the rules may be paid to me.

**OR**

I request that the entire amount at my credit with interest due under rules may be paid to me/transferred to \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

**(FOR USE BY HEADS OF OFFICE)**

Forwarded to the Pay & Accounts officer/Accountant General, \_\_\_\_\_ for necessary action/ in continuation of endorsement No. \_\_\_\_\_

2. He/She is due to retire from service on \_\_\_\_\_ /has proceeded on leave preparatory to retirement for \_\_\_\_\_ months from \_\_\_\_\_ /has been discharged/dismissed/permanently transferred to \_\_\_\_\_ /has resigned finally from Government service/has resigned service under \_\_\_\_\_ Government to take appointment with \_\_\_\_\_ and his/her resignation has been accepted with effect from \_\_\_\_\_ fore noon/afternoon. He/she joined service with \_\_\_\_\_ on \_\_\_\_\_ forenoon/afternoon.

3. The last fund deduction was made from his/her pay in this office Bill No. \_\_\_\_\_ dated \_\_\_\_\_ for Rs \_\_\_\_\_ (Rupees) \_\_\_\_\_, Cash Voucher No. \_\_\_\_\_ of Treasury, the amount deduction being Rs. \_\_\_\_\_ and recovery on account of refund of advance Rs. \_\_\_\_\_

4. Certified that he/she was neither sanctioned any temporary advances nor any final withdrawals from his/her provident fund account during the 9 months immediately preceding the date on which the last fund deduction has been made from his/her salary or thereafter.

**OR**

Certified that the following temporary advances final withdrawals were sanctioned to him/her and drawn from his/her Provident Fund Account during the 9 months immediately preceding the date on which the last fund deduction has been made from his/her salary or thereafter.

Amount of advance/withdrawal

Date

Voucher number

1. \_\_\_\_\_



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2. \_\_\_\_\_  
3. \_\_\_\_\_

(Signature of Head of Office)

**APPENDIX—I**

**Copy of Letter No. 10026/6/67—AIS III dated 13.10.1987 of Government of India, Ministry of Personnel, Public Grievances and Pensions Department of Personnel & Training.**

*Subject : All India Service (Provident Fund) Rules, 1955—Introduction of Pass—Book for AIS Officers.*

I am directed to say that in pursuance of the recommendation of the Fourth Pay Commission it has been decided that the system of Pass—books on a voluntary basis for Provident Fund accounts should be introduced by the Central Government in respect all Group 'A' employees and All India Services officering in the Centre. The system will be introduced from the financial year 1988—89. In this connection , a copy of the Office Memorandum dated 1<sup>st</sup> September, 1987 issued by the Department of Pensions & Pensioners Welfare is enclosed.

2. The State Government may consider introducing the system of Pass—books on a voluntary basis for Provident Fund accounts should be introduced by the Central Government in respect all Group 'A' employees and All India Services officers serving under them. The scheme may be operated as under :

- (a) The passbook may be in the annexed to the OM of 1.9.1987 referred to above.
- (b) As soon as the scheme is introduced, the State Government shall inform the members of the All India Service (borne on the cadre of that State) serving under the State and also on Central deputation.
- (c) In the case of officers on Central Deputation, the State Government concerned may obtain the option and in cases where the option has been exercised in favour of the passbook, entries upto the month upto which Provident Fund Contribution was made may be completed and the following certificate recorded in the passbook:

'Provident Fund account transferred to \_\_\_\_\_ vide Government of \_\_\_\_\_ letter No. \_\_\_\_\_ dated \_\_\_\_\_ consequent on the deputation of Shri \_\_\_\_\_ to \_\_\_\_\_ w.e.f. \_\_\_\_\_. The pass—book will then be sent to the member of the Service'.

- (d) When a member of the AIS is transferred on Central deputation, the entries in the PF account shall be completed upto the month for which the PF contribution has been made by the member of the Service concerned and the pass book shall be given to the officer at the time of his transfer.



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- (e) After the officer has taken over his assignment in the Central Department, the D.D.O. of the Administrative Ministry /Organisation concerned with the preparation of the Pay bill of the officer shall complete the entries in the pass book at the end of each year as indicated in item (f) para 3 of the OM cited above.
- (f) At the time of his reversion to his cadre, the entries in the pass—book shall be completed upto the month in which PF deductions have been made in the Pay Bill of the officer and the pass—book shall be returned to him with the following endorsement :

'The PF account has been transferred to \_\_\_\_\_vide  
Ministry/Department\_\_\_\_\_ letter No.\_\_\_\_\_ dated\_\_\_\_\_',

3. In regard to the adjustment of missing credits, the instructions on para 4 of the aforesaid OM shall apply.

4. It is requested that the decision taken by the State Government regarding the introduction of the pass—book may be intimated to this Department early.

**Copy of O.M. No. 20011/P&PW/86 dated 1.9.87 of Government of India, Ministry of Personnel, Public Grievances & Pensions (Department of Pension & P.W.)**

*Subject :— Fourth Central Pay Commission— Recommendation regarding introduction of Pass Books for employees.*

1. The undersigned is directed to say that the Fourth Central Pay Commission had recommended that Pass Books should be issued to all employees showing the up—to—date position of their Provident Fund accounts. The recommendation of the Pay Commission was under consideration of the Government and it has now been decided to introduce the system of Pass Books on a voluntary basis in respect of all Group 'A' employees and All India, Services officers. The pass book system for group 'D' employees is already in vogue since 1974—75. The system will be introduced from the financial year 1986—89. The format of the Pass Book is enclosed(Annexure).

2. Each subscriber will be given an option to be exercised within three months from the date of issue of these orders, if he/she is willing to have a Pass Book for his/her G.P. Fund account. Option once exercised will be final.

3. The scheme will be operated as follows :—

- (a) The Pass Book will be got printed locally by each Ministry/Department in exercise of the powers delegated to it.
- (b) The Pass Books will be supplied by DDO of each officer.
- (c) Every employees opting for Pass Book and subscribing to the General Provident Fund will be provided a Pass Book which at the time of its supply will indicate the balance will be indicated by the DDO.
- (d) Every employees opting for Pass Book will be provided with the Pass Book at the end of the financial year during which he commences contribution to the General Provident Fund.
- (e) In case a subscriber loses his Pass Book and asks for a copy thereof, he may be charged Rs. 10/— for supply of another Pass Book.



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- (f) At the end of each year, the Head of Office will obtain the Pass Book of the subscriber for completion and return. Entries in the Pass Book will be certified by the P&AO/DDO.
- (g) Every optee for the Pass Book is expected to satisfy himself as to the correctness of the entries made in the Pass Book and bring to the notice of the Head of Office errors, if any, within three months. The Pay Bill Register of the subscriber, if desired by him, will be made available for inspection.
- (h) When a subscriber is transferred to another Ministry/Department, the Head of office will obtain the Pass Book from the employees, complete it and record the following endorsement therein and thereafter return the Pass Book to him :

“The GPF account has been transferred to Ministry/Department of \_\_\_\_\_ vide this Ministry/Department letter No. \_\_\_\_\_ dated the \_\_\_\_\_.”

4. In case the P&AO/DDO is not able to trace the missing credits, he will arrange for payment of GPF balance on the basis of entries made in the Pass Book. Adjustment of debits will be made on the basis of entries made in the Pass Book.

5. In so far as AIS officer are concerned , the Deptt. of Personnel & Training (AIS Division) will issue necessary instructions separately.

6. In so far as officers Serving in the India Audit and Accounts Deptt. are concerned, there orders issue with the concurrence of Comptroller and Auditor General of India.

### FORM OF PASS BOOK

The Pass Books may be of size 13 cms. X 11cms. It may have a thick cover and be provided with a plastic jacket. This format of the cover page and other pages may be as follows:—

(i) First cover page	Inside
Outside	
EMBLEM	Name of subscriber
Government of India	Designation
Pass Book	Residential
	Address :
General Provident Fund	Name of nominee and his/her relation with the subscriber.
Name	
Account No.	
(ii) Back cover page—outside	

Note :— (i) The subscriber is requested to satisfy himself as to the correctness of the statement and to bring errors, if any, to the notice of the Cash Section within



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three months from the date of entries in the pass book. The pay bill registrar, if so required by him, will be available for inspection.

- (ii) If this Pass Book is lost, the matter should be reported to the office. An amount of Rs. 10/— will be charged from the subscriber for issue of each extra pass book.

- (iii) First Page

NAME OF OFFICE

DATE OF JOINING

GPF ACCOUNT NUMBER

- (IV) Page 2 onwards

Deposit								
Year	PBR No.	Opening Balance	Subscription	Refunds	Rate	Interest Amount Withdrawals	Closing balance	Full signature of DDO/P&AO



## GOVERNMENT OF INDIA'S DECISIONS

### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 3

1. **Officers appointed before promulgation of this rule should subscribe to the Fund from the date of their confirmation:** - Officers appointed to the Indian Administrative Service and the Indian Police Service from various sources prior to 12<sup>th</sup> September, 1955, the date of promulgation of these Rules, should subscribe to the General Provident Fund (Central) from the date of confirmation and not from the date of appointment on probation, though they would be eligible to subscribe to the fund at their own option during the period of probation. The amount so subscribed voluntarily during the probationary period should not be refunded to them.

{G.I., M.H.A. letter No. 13/35/56—AIS(II), dated the 8<sup>th</sup> October, 1956}.

2. **Officers should subscribe compulsorily to the Fund from the date of their appointment on probation:** - A question was raised whether officers of the All India Services should be required to subscribe to the fund compulsorily from the date of their appointment on probation or from the date of their confirmation in the service. The status of a probationer is the same as that of a person appointed substantively to the service from the date of appointment on probation. The Government of India have, therefore, decided that the officers of the Indian Administrative/Police Service should be required to subscribe compulsorily to the Funds from the date of their appointment on probation.

{G.I., M.H.A letter No. 13/35/56—AIS(II), dated the 27<sup>th</sup> October, 1956}.

3. **Eligibility for incentive bonus under the new bonus scheme:** - It was clarified vide Department of Personnel & A.R, letter No. 11026/4/77—AIS(III), dated the 11<sup>th</sup> January, 1979 that the new bonus scheme for the members of the All India Services under the All India Services (Provident Fund) Rules, 1955 would take effect from the 1<sup>st</sup> April, 1978. Consequently, the incentive bonus for not withdrawing any amount from the Provident Fund account would be payable as on 31.3.1979 provided, the subscriber has not withdrawn any amount from his account during the preceding five years commencing from 1.4.1974.

2. The period of 5 years has been reduced to 3 years from 1.4. 1979, i.e the bonus of one percent on the entire balance at the credit of the subscriber in case he has not withdrawn any amount from the fund during the preceding 3 years commencing from 1.4.1979 vide the Ministry of Finance Resolution No. F.6(1)—PD—81 dated the 1<sup>st</sup> July, 1981.

3. It is also clarified, having regard to the provisions of rule 3 of the All India Services (PF) Rules, 1955, according to which the credit in and liabilities to any Provident Fund (only the subscriber's contribution and interest thereon in respect of a Contributory Provident Fund) to which a member of the All India Service was subscribing prior to his joining the All India Services (Provident Fund), that the previous service rendered under the State or Central Govt., by a member of the Service, during which such member was subscribing to the P.F. shall be reckoned for calculating the incentive bonus in accordance with the provisions on the new bonus scheme referred to above.

{G.I., DP & AR letter No. 11026/8/83—AIS(III) dated the 14<sup>th</sup> July, 1983}





#### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 4

1. **Subscribers should make fresh nominations after promulgation of these rules:** - Subscribers to the Fund, who had made their nominations under the General Provident Fund (Central Services) Rules, prior to promulgation of these rules, should be required to make fresh nominations in the prescribed forms.

{G.I., MHA letter No. 13/33/56—AIS (II) dated the 14<sup>th</sup> September, 1956}

#### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 5

1. **The subscribers should be provided with an annual statement of GPF contribution/deductions:** - The problem regarding missing credits in the Provident Fund Accounts of members of the All India Services was considered by the Ministry of Finance (Department of Expenditure—Controller General of Accounts) and they have issued instructions in this regard to all Chief Controllers of Accounts/Controllers of Accounts of various Ministries/ Departments of Government of India, according to which members of All India Services and other Central Services on deputation with the Central Ministries/ Departments should be supplied with an annual statement in the prescribed performa indicating the amount of GPF and other deductions made from their salary. A copy of this statement will also have to be sent simultaneously to the accounting authority concerned. In this connection, a copy of Ministry of Finance (Controller General of Accounts) letter No. C. 30012/Coord/ 2/CGA /307 dated 31st October, 1981, addressed to all Chief Controllers of Accounts/ Controllers of Accounts of various Ministries/Departments along with its enclosure, is annexed.

[DP & AR letter No. 11026/12/83—AIS(III), dated the 27<sup>th</sup> May, 1983.]

#### *ANNEXURE TO GOVERNMENT OF INDIA INSTRUCTIONS BELOW RULE 5 OF THE AIS (PROVIDENT FUND) RULES*

*[Copy of Ministry of Finance, Department of Expenditure Letter No. 30012 /Coord/MF/CGA/307, dated 31st October, 1981.]*

It has been reported that in a large number of cases, the Annual Statements of G.P.F. Account of officers who are on deputation to various Ministries/Departments of Central Government for all India Services, I.A. and A.D., Posts and Telegraph, Railway, Defence etc. do not generally reflect all the credits in respect of deductions made in a financial year from their salary disbursed through the departmentalised Pay and Accounts officer even though the recoveries effected are regularly remitted to the concerned accounting authorities before the close of the financial year. The non-inclusion of all credit in the annual statements causes considerable inconvenience to the officers and involves avoidable correspondence

With a view to reassuring the subscribers regarding proper accounting of the deductions made from the salary towards G.P.F and other advances, it would be desirable that each Pay and Accounts Office should send a statement each year in the enclosed proforma to individual officers on deputation to the Ministry/Department under their payment control. A copy of the statement will also be simultaneously sent to the subscriber's accounting authority. This will enable the officer to have in his possession a permanent record of the deductions made from his salary and the details of remittances made to his accounts officer. The latter can also make use of this statement for adjusting missing credits, if any, in the subscriber's account without having to correspond with Pr. PAO/PAOs of Central Government Ministries/Departments.



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In this connection, a copy of the circular letter issued by the Controller of Accounts, Ministry of Finance is enclosed. The Procedure set out above may be adopted from 1980—81 onwards.

*Copy of D.O. letter No. CA/Fin/Misc/80—81 from the Controller of Accounts, Ministry of Finance.*

As you are aware, deductions are made from your salary each month towards GPF contributions. But as the ultimate responsibility for maintaining your GPF account devolves on the Accounting Authority of your parent cadre, we remit to him by cheque the amount deducted from your pay bills

It has come to our notice that in many cases, the Annual Statement of Accounts issued by your Accounting Authority does not reflect all the 'credits' even though the cheques have been received (and in many cases encashed) by him. All this must be causing you considerable inconvenience.

While, by the very nature of the Accounting Procedure, there is necessarily a time lag of 2 to 3 months between 'deductions' and 'remittances', it has been our endeavour to send the requisite cheque to your Accounting Authority promptly. However, with a view to further reassuring you that due care has been taken by us in this matter, we have decided to send you each year a statement (enclosed) with a copy to your Accounting Authority containing necessary details of these deductions and remittances.

We hope that you will find this statement useful both as a permanent record and as a collateral evidence so that if any 'credit' is missing in your Annual Statement, you can pursue the matter direct with your Accounting Authority. The latter can also make use of this statement for adjusting missing 'credits', if any, in your accounts without having to enter into protracted correspondence with us.

Deductions may also have been made from your salary bills on accounts of advances such as House Building, Conveyance etc. We have, therefore, included in the statement details in this regard as well.

### Statement showing details of deductions and remittances

Name and Designation of the officer.....Office.....

G.P.F Account Number.....Officer to which remittance sent.....

Year of Account.....

### Amount of deductions

### Particulars of the cheque sent

Month of Salary	G.P.F.	House Building Advance	Motor Car Advance	No.	Date	Amount of Cheque	Details of the forwarding letter	Date of encashment of cheque	Remarks
March									
April									
May									
June									
July									
August									



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September									
October									
November									
December									
January									
February									
March									

**2. Missing credits in the accounts of MoS may be completed on the basis of annual statements sent by Pay and Accounts Officers:** - The undersigned is directed to say that vide this Department's O.M.No. 11026/12/83—AIS (III) dated 31.5.1983 it was requested that the members of AIS on deputation with Central Ministries/Departments should be supplied with an annual statement in the prescribed proforma circulated by Controller General of Accounts vide their letter No. 30012/Coor/MF/CGA/307 dated 31.10.1981.

2. The Controller and Auditor General have now issued instructions to the Accounts General that missing credits in the accounts of members of All India Services may be completed on the basis of such annual statements sent by Pay and Accounts Officers. A copy of C&A.G.'s letter No. 2021—Accounts—II/247—85 dated 16.10.1985 addressed to Accountant General is enclosed.

3. It is requested that the annual statement in the prescribed proforma is supplied regularly to members of All India Services on deputation to Central Govt. It is also requested that the instructions contained in the above said letter of C & A.G may be brought to the notice of members of All India Services on deputation to Central Government for their information.

[DOPT O.M. No. 11026/14/85—AIS(III) dated the 10.12.1985]

*Copy of General Circular No. 64—A/CS.II/85 (No. 2021—Accounts—II/247—85) of the Office of the Comptroller & Auditor General of India, New Delhi dated the 16<sup>th</sup> October, 1985 addressed to all the Accountants General (A&E) Senior Deputy Accountants General (Accounts), Himachal Pradesh, Jammu & Kashmir, Manipur, Nagaland & Sikkim.*

*Subject:—General Provident Fund credits of All India Service Officers – Adjustment on Collateral Evidence Basis.*

According to the existing procedure the Provident Fund Accounts of All India Service Officers who are on deputation to various Central Govt. Ministries/Departments are being maintained by the respective State Accountants General. The Provident Fund credits in respect of these officers are being remitted monthly by the departmentalised Pay and Accounts officers to concerned Accounting authorities through cheques/drafts. It has been reported by a number of officers that in a large number of cases Annual Statements of General Provident Fund Accounts of the officers do not generally reflect all the credits in respect of deductions made in a financial year from their salaries by the Pay & Accounts Officers. The non—inclusion of all credits in the annual statements causes considerable inconvenience to the officers and involves avoidable correspondence.

2. Ministry of Finance, Controller General of Accounts issued instructions vide letter No. C—30012/Co-ord/MF/CGA/307 dated 31.10.1981 according to which the Pay and Accounts Officer should send to individual officers on deputation to the Ministry/Department and also to his accounting authority, an annual statement showing the deductions made from his salary along with the cheque number and date vide which these were remitted to the concerned accounting authority so that the later is able to



take action for having the missing credits, if any, traced and get his General Provident Fund account completed.

3. In this connection, the attention is invited to this office circular letter No. 1581—AC.II/247—85 dated 23.5.1985 wherein it has been mentioned that in case the Pay & Accounts Officer or any other Disbursing Officer relevant to a particular case/Officer has certified that Provident Fund recoveries, in question have been made and the cheque/draft of the amount has already been remitted to Accountant General Office and full particular of the letter No. etc. are also furnished by him, the amount may be adjusted on collateral evidence basis in the Provident Fund Account of the concerned employee of the State by operating the head 'P4'. The matter has been examined in this Office and it has been decided that missing credits/debits in respect of All India Service Officers may be completed on the basis of such annual statements sent by the Pay and Accounts Officers. The statements may also be used as collateral evidence, if necessary, for adjustment of credits/debits of the concerned officers by operating the head 'Provident Fund Suspense' in the State Section of Account. The drill prescribed in para 3 of this Office circular dated 23.5.1985 for clearance of amount from the head 'Provident Fund Suspense' by actual tracing of credits/debits may also please be followed scrupulously.

#### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 6

**1. *It would not be necessary to increase the rate of subscription consequent on the increase in pay, due to revision of pay scales etc. during the course of the year:-*** It has been decided that it would not be necessary to increase the rate of subscription consequent on the increase in pay, due to revision of pay scales etc. during the course of the year.

[G.I., M.H.A. letter No. 8/4/57—AIS(III), dated 1-4-1957, and letter No. 6/1/62—AIS(II), dated 29-9-62]

**2. *It would be not necessary to increase the rate of subscription to the provident Fund consequent on the increase of pay of the subscribers during the course of the year:-*** In the case of subscribers to the General Provident Fund (Central Services) the amount of subscription originally fixed by a subscriber is not to be varied during the course of the year on account of any increase or decrease of pay which might ultimately have been found to be in respect of 31<sup>st</sup> March preceding or which might take place during the year. The Government of India have decided that similar procedure should be followed in the case of subscribers to the All India Services (Provident Fund) Rules. In view of the above position it would be not necessary to increase the rate of subscription to the provident Fund consequent on the increase of pay of the subscribers during the course of the year.

[M.H.A. letter No. 6/16/62—AIS(II), dated 10<sup>th</sup> September 1962.]

#### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 9

**1. *A moS, after promoted to the AIS, is entitled to get interest on GPF according to the Central Rules and not by the State Rules:-*** All India Service Officers who prior to their appointment to the All India Services were governed by the State Provident Fund Rules, cease to become entitled to the protected rate of interest from the date of their promotion. As member of AIS, the officer is entitled to get interest according to the G.P Fund (Central Services) Rules, from the date he becomes subject to new Rules.

[G.I., M.H.A. letter No. 8/4/57—AIS(III), dated 1-4-1957, and letter No. 6/1/62—AIS(II), dated 1-9-62]



**2. The interest on subscriptions made by subscribers while on Central Deputation shall be payable from the month in which the pay of the subscriber was due under the Rules:**

- The question relating to entitlement of interest on Provident Fund to subscribers while serving on deputation to the Central Government has been examined. It had been pointed out that in certain cases the respective A.Gs/P.A.Os. are not allowing interest on their accumulations in G.P.F. for the month in which their subscription are deducted from their pay and remitted to them under Demand Draft etc. when these remittances may have been realized in the following months because of administrative delays or otherwise. It is clarified that according to proviso under sub-rule 3 (a) of Rule 9 AIS(PF) Rules, 1955, the interest on subscriptions made by subscribers while on deputation to the Central Govt. shall be payable from the month in which the pay of the subscriber was due under the Rules irrespective of the date or month in which it was actually drawn by the Accounts Officers of the concerned states.

[G.I., DP&T letter No. 11026/1/91—AIS—III dated 26.2.1991]

**GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 10**

**1. Company Secretaryship Course and Pre-Sea Training on TS-Rajendra are recognised courses for grant of advance:** - It has been decided to treat the following courses as technical/specialised for the purpose of grant of advance under Rule 10(1)(a)(ii) and withdrawal under 12(1A)(a) respectively of the All India Services (Provident Fund) Rules, 1955:—

- (i) The Company Secretaryship Course of the Institute of Company Secretaries of India; and
- (ii) The Course of Pre—Sea Training imparted on the Training Ship “Rajendra” to prospective navigating officers on merchant ships.

[DP & AR letter No. 11026/3/81—AIS(III), dt. 10-2-1981.]

**2. The power to sanction of advance up to 90 percent under first proviso of rule 10 may be exercised by Ministries/Department:** - Under the first proviso to Rule 10, the Government (or the sanctioning authority with the previous approval of the Government) may sanction an advance for reasons other than those specified in Clauses (i) to (vi) of Rule 10(1)(a). The power to sanction an advance under this proviso may henceforth be exercised by Ministries/Departments, to the extent of 90 percent of the balance of the Provident Fund accumulation at the credit of subscriber.

[G.I., D.P. & T O.M. 11026/3/86—AIS—III dated 7.4.1986]

**3. Power of the Central Government in case of members of the AIS posted in UT Administrations will be exercised by the Administrator of the UT:** - The powers of the Central Government to sanction advances under this rule to a member of the Service serving in the Union Territories shall subject to the conditions prescribed in the rule be exercised by the Administrators of the Union Territories within their respective jurisdiction.

[G.I., M.H.A. letter No. 5/34/59—AIS(II), dated 30th July, 1960.]

**4. Sanctioning authorities of temporary advances for IPS officers posted in Intelligence Bureau, Special Police Establishment and Central Reserve Police Force:** - The sanctioning authority for the purpose of granting temporary advances from the Fund to members of the Indian Police Service serving in the intelligence Bureau, the Special Police Establishment and the Central Reserve Police shall be the Director,



Intelligence Bureau, the Inspector General, Special Police Establishment and the Inspector General, Central Reserve Police respectively.

[G.I., M.H.A. letter No. 16/16/60—p(III), dated 12th December, 1960.]

**5. The power to sanction advance for special reasons has been delegated to the Ministries/Departments:** - The power to sanction advance for special reasons under rule 10 of the AIS (PF) Rules, 1955 is now being exercised by the Administrative Ministries in consultation with the Deptt. of Pensions and Pensioner's Welfare in terms of Govt. of India Instructions Under the GPF (CCS) Rules the powers in this regard are vested in the Ministries.

2. The question of delegation of powers to sanction advance for special reasons under the AIS (PF) Rules to Ministries/Departments has been considered in consultation with the Department of Pension and Pensioner's Welfare and it has been decided that all such cases where advances are sanctioned for special reasons may be decided by the Administrative Ministries/Departments.

[G.I. M.H.A. Letter No. 11026/12/84—AIS—III dt. 04.10.85]

#### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 12

**1. Withdrawal for purchase a site may be allowed subject to the condition that construction of house should commence within six months and completed within a year of commencement of construction:** - A question arose whether withdrawal could be permitted purely for the purchase of a site. The Government of India have decided that it could be, provided that the conditions in the other rules, especially the one in rule 15, that construction of the house should commence within six months of the withdrawal of money and should be completed within a year from the date of commencement of constructions, are satisfied.

[G.I. M.H.A. U.O. No. 263/557—AIS(III), dated 29th January, 1957.]

**2. Withdrawal for pilgrimage to Haj not allowed:** - A member of the Service wanted to withdraw money from the fund for meeting expenses in connection with his pilgrimage to Haj. As pilgrimage to Haj is not obligatory, the withdrawal was not sanctioned.

[G.I., M.H.A. letter No. 8/5/57—AIS (II), dated 7th March, 1957.]

**3. Withdrawal applied for after the marriage is over should not be entertained:** - A question was raised whether final withdrawal could be permitted for meeting the expenditure on a marriage, which had already taken place.

2. Marriage is a foreseeable event and ordinarily it should not be difficult for the member concerned to make up his mind beforehand whether he would be able to meet the entire expenditure thereon from his private resources or whether he would have to resort to a final withdrawal from his provident fund account for this purpose, and, if the latter, to apply for the final withdrawal sufficiently in advance of the date of marriage. Where, however, an officer applies for the withdrawal well before the date of marriage, but the application is sanctioned after the aforesaid date or, if sanctioned before that date, the case is received in audit office for the issue of authority for payment after that date, there will be no objection to the payment of the amount being made after the date of marriage. The certificate in terms of sub-rule (4) should be furnished in such cases to the sanctioning authority within a month of the actual drawal of the amount for the fund. Cases in which withdrawal is applied for after the marriage is over should not ordinarily be entertained.

[G.I. M.H.A. letter No. 8/41/57—AIS(II), dated 20-11-1957.]



**4. Previous services rendered by the moS before inducting to AIS shall be counted in computing minimum service for advance/withdrawal:** - A question has been raised whether the previous service rendered under the State or Central Government by a subscriber to the All India Service Provident Fund, prior to his becoming a member of an All India Service, shall count for the purpose of computing the minimum service prescribed under sub-rule(1), (1A) and (2) of the All India Services (Provident Fund) Rules, 1955. It is clarified, having regard to the provisions of rule 3 of the All India Services (PF) Rule, 1955, according to which the credit in and liabilities to any provident Fund (only the subscriber's contribution and interest thereon in respect of a Contributory Provident Fund) to which a member of the All India Service was subscribing Prior to his joining the All India Service, shall be transferred to the All India Service Provident Fund, that the previous service rendered under the State or Central Government by a member of the Service during which such member was subscribing to any Contributory or Non—Contributory Provident Fund, shall be counted in computing the minimum service prescribed under sub-rule (1), (1A) and (2) of Rule 12 of the All India Services (PF) rules, 1955.

[G.I., D.P. & A.R. letter No. 11026/32/82—AIS(III), dated 23-4-1983.]

**5. There is no objection to allowing part final withdrawal from the Provident Fund for the same child in instalments once in 6 months instead of there being a single withdrawal till the relevant rules are amended:** - I am directed to say that in terms of clause (a) of sub-rule (1—A) of rule 12 and Note 5 below rule 12 of the All India Services (Provident Fund) Rules, 1955 for the purpose of higher education of a child, only one withdrawal shall be allowed but education of different children on different occasions shall not be treated as the same purpose. However, sub-rule (2) of rule 14 of the said Rules provides that withdrawal, by a subscriber under clause (a) of sub-rule (1A) of rule 12, from the amount standing to his credit in the fund, shall be permitted once in every six months.

2. The provisions of Rule 12 and Rule 14 referred to above appear to be contradicting each other. The intention of the Government of India is that as higher education is spread over a period of 3 to 5 years and fees and other expenses are payable in instalments the amount of the withdrawal sanctioned under Clause (a) of sub-rule 1(A) of Rule 12 for meeting the cost of higher education of a child may be drawn in instalments once in every 6 months. It is proposed to make this intention clear through suitable amendments in the AIS (PF) Rules, 1955. Till such time this is done, there is no objection to allowing part final withdrawal from the Provident Fund for the same child in instalments once in 6 months instead of there being a single withdrawal.

[G.I., DP & AR letter No. 11026/12/79—AIS(III) dated 8.10.80]

**6. Previous services rendered by the moS before inducting to AIS shall be counted for computing minimum service for advance/withdrawal:** - I am directed to say that under sub-rule (1) of Rule 12 of the All India Services (PF) Rules, 1955, a subscriber to the All India Service Provident Fund, after 15 years of service (including broken period of service, if any) is eligible to seek final withdrawal from the amount standing to his credit in the fund for acquiring a house/house sit in accordance with the provisions of the rules; and under sub-rule (1A) of Rule 12, a subscriber on completion of 20 years of service (including broken period of service, if any), is eligible to seek final withdrawal for one or more of the purpose mentioned therein. Under sub-rule (2) of Rule 12, a withdrawal for purchasing a motor car can be sought by a subscriber on completing 25 years of service, including broken periods of service.



2. A question has been raised whether the previous service rendered under the State or Central Government by a subscriber to the All India Services Provident Fund, prior to his becoming a member of a All India Service, shall count for the purpose of computing the minimum service, shall count for the purpose of computing the minimum service prescribed under sub-rule (1), (1A) and (2) of Rule 12 of the All India Services (Provident Fund) Rules, 1955. It is clarified, having regard to the provision of Rule 3 of the All India Services (PF) Rules, 1955, according to which the credit in and liabilities to any Provident Fund (only the subscriber's contribution and interest thereon in respect of a Contributory Provident Fund) to which a member of the All India Service was subscribing prior to his joining the All India Service shall be transferred to the All India Service Provident Fund, that the previous service rendered under the State or Central Government by a member of the Service during which such member of the Service during which such member was subscribing to any Contributory or Non-Contributory Provident Fund, shall be counted in computing the minimum service prescribed under sub-rule (1), (1A) and (2) of Rule 12 of the All India Services (PF) Rules, 1955.

[Copy of G.I., MHA, DT & AR letter No. 11026/32/82—AIS—III date 23.4.83]

**7. Procedure to be followed for granting advance/withdrawal of AIS officers during their service with the Central Government:** - It has been decided in consultation with the Ministry of Finance that the following procedure may be followed for granting advances/final withdrawals to officers of the All India Services, including members of a former Secretary of States Service, under the various Provident Fund Rules, during the period of their service in connection with the affairs of the Central Government.

2. All cases of advances/final withdrawals which are fully covered by the existing rules may be sanctioned by the administrative Ministries themselves. The Ministries of the Government of India shall exercise all the power of the “sanctioning authority” in all such cases.

3. [Deleted vide G.I. MHA letter No. 11026/12/84—AIS—III dated 4.10.1985]

4. All cases of advances/final withdrawals which involve relaxation of the rules should be sanctioned by the administrative Ministries after obtaining the concurrence of both the Department of Personnel and A.R and the Ministry of Finance (Establishment Division)

5 Before an officer's request for advance/final withdrawal is referred to the Ministry of Finance or both to the Department of Personnel and A.R. and Ministry of Finance, the administrative ministries are requested to examine the cases carefully and specify the special reasons or grounds why the rule(s) should be relaxed in favour of the officer.

[G.I., M.H.A. O.M. No. F.5/13/64—AIS(II), dated 20-5-1964.]

**2. Power of the Central Government in case of members of the AIS posted in UT Administrations will be exercised by the Administrator of the UT:** - The powers of the Central Government to sanction advances under this rule to a member of the Service serving in the Union Territories shall subject to the conditions prescribed in the rule be exercised by the Administrators of the Union Territories within their respective jurisdiction.

[G.I., M.H.A. letter No. 5/34/59—AIS(II), dated 30th July, 1960.]

**3. Betrothal ceremony and marriage ceremony of the same child shall also be treated as different purpose.**

[F.No. 11026/7/84—AIS(III)]





### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 13

**1. *withdrawal of the second and subsequent instalments for construction of house shall be permitted only if the Government certify:*** - The Government of India have decided that the withdrawal of the second and subsequent instalments shall be permitted only when the Government issues a certificate to the effect that the required formalities regarding the constructions of the house, in pursuance of which the instalments, have become due have been complied with.

[G.I. M.H.A. letter 5/26/59—AIS (II), dated 4th November, 1959.]

**2. *In case a moS constructs a house in a State other than his allotted State, the State concerned should act as an agent for the former State on a reciprocal basis for verifying the details:*** - A question was raised as to how the house building loans to All India Services officers for constructing houses outside the State of their allotment should be regulated.

2. It has been decided that where an All India Services Officer who has been granted loan for house building purposes by the State under whom he is serving at the time of such grant, decides to construct the house outside the state within whose jurisdiction the house is constructed should act as an Agent for the former state, on a reciprocal basis and (i) examine the correctness of title deeds, (ii) watch the progress of construction and (iii) enforce mortgage proceedings in case of default in the observance of the conditions on which the loan has been granted. The cost of verification of title deeds is to be borne by the member of the All India Services seeking loans for house—building purpose.

[M.H.A. letter No. 8/12/58—AIS(II), dated 18th March, 1959.]

**3. *Points to be mentioned in the sanction letter in all cases, where a final withdrawal is sanctioned from the Provident fund for purposes house building:*** - It was noticed that a large in number of cases where final withdrawals were sanctioned for house building purposes under rule 13(l) etc., the information as regards the officer's pay or the amount of advance drawn by him from the Ministry of Works, Housing and Urban Development or any other assistance from any Government source were not specifically mentioned in the sanction letter. The result was that the Account Officer concerned was unable to satisfy whether the relevant provisions of the provident Fund Rules were satisfied in a particular case or not.

2. The Government of India have decided that in future, in all cases, where a final withdrawal is sanctioned from the Provident fund for purposes of building, acquiring, reconstructing, or making additions or alternations to a house, the sanctioning authority must indicate in the sanction letter,

- (i) the pay of the subscriber at the time of sanctioning the final withdrawal;
- (ii) particulars and amount of advance drawn by him for house—building purposes under the scheme of the Ministry of Works, Housing and Urban Development; and
- (iii) the amount of any other assistance in this regard received by him from any other Government source.

[G.I., M.H.A. letter No. 5/1/65—AIS (II), dated 21st March, 1966.]

### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 14

**1. *Withdrawal will not ordinarily be allowed before the expiry of six months from the date of the previous withdrawal, and in any case not more than two***



***withdrawals should be allowed in any financial year:-*** A doubt was raised whether under sub-rule (2), the withdrawals may be made at any time during the first and second halves of the financial year (April—September and October—March), even though the time lag between the dates of the first withdrawal and the second is less than six months. The intention of the sub rule is that a withdrawal will not ordinarily be allowed before the expiry of six months from the date of the previous withdrawal, and in any case not more than two withdrawals should be allowed in any financial year.

[G.I., M.H.A., letter No. 13/16/55—AIS(II), dated 14 July, 1956.]

**2. Ministries/Departments may sanction withdrawals up to 90 per cent under rule 13, 14 and 14A:** - Under Rules 13,14, 14A and 14B, the sanctioning authority is competent to sanction a withdrawal from Provident Fund for the purpose mentioned therein(e.g. House Building, meeting the cost of higher education, expenditure on marriage of subscriber's son/daughter, meeting the expenditure on illness of subscriber or any member of his family) up to three-fourths at the credit of subscriber. Ministries/Departments may henceforth sanction withdrawals up to 90 per cent accumulations at the credit of the subscriber under Rules 13, 14 and 14A referred to above.

[D/P & Trg. No. 11026/3/86—AIS(III)dated 7-4-1986.]

#### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 17

**1. The term “matured” occurring in the explanation under sub-rule (3) should be deemed to include “paid up” policies also.**

[G.I., M.H.A. letter No. 8/45/57—AIS (II) 23<sup>rd</sup> April, 1958. ]

#### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 21

**1. Further recoveries should be stopped but not refund of the amount already recovered should be allowed in case the policy was assigned, delivered, converted into paid up one or revived:** - A question was raised whether recoveries ordered under sub-rule (4) and rule 25 should be stopped and the amount already recovered be refunded, as soon as the policy was assigned, delivered, converted into paid up one or revived as the case might be.

2. It has been decided that further recoveries should be stopped in such cases but not refund of the amount already recovered should be allowed.

[G.I., M.H.A. letter No. 13/36/56—AIS (II), dated 26-9-1956.]

**2. The policies once assigned to the President or the Governor will hold good throughout the service:** - The policies once assigned to the President or the Governor, under whom a member of the Service is serving for the time being, will hold good throughout the service. The same are not to be reassigned every time the member is transferred from his parent State to the Centre or from the Centre to the parent State.

[ G.I. M.H.A. letter No. 13/42/56—AIS(II)dated 2<sup>nd</sup> November, 1957].

**3. Insurance policies already assigned under the Central or other General Provident Fund Rules need not be reassigned in favour of the subscribers, before they are further assigned to the President or Governor, as the case may be, under the All India Service (Provident Fund) Rules, 1955.**



[G.I. M.H.A. letter No. 8/46/58,— AIS (II), dated the 17<sup>th</sup> December, 1958 ].

#### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 23

1. ***The amount of policy may be repaid in convenient number of instalments settled between the subscriber and the Accounts Officer:*** - It has been decided that the amount may be repaid in convenient instalments the number of which should be settled between the subscriber and the Accounts Officer; the policy will, however, be assigned by the Accounts Officer only after repayment of the amount with interest is completed.

[G.I., M.H.A. letter No. 5/23/59—AIS (II), dated 3-10-1959.]

2. ***Recognition of second assignment under the policy by the LIC:*** - The Life Insurance Corporation shall register the second assignment in their books on receipt of such assignment along with a notice thereof. When the dues of Central Government have been settled the office of the Accountant General, Central Revenue, will nullify the first assignment either by an assignment in favour of the policy holder or by cancelling or striking out the original assignment on the policy and will give due notice to the Corporation of such reassignment and it is only after the original assignment is so nullified and notice thereof served on the Corporation, that they shall be able to recognise the second assignment under the policy.

[G.I., M.H.A. letter No. F.6/26/62—AIS (II), dated 1st January, 1963]

#### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 29

1. ***Regulation of GPF contribution of IAS officers appointed to Public Service Commissions:*** - On a reference from the State of Punjab, it was decided that in accordance with the provision contained in regulation 9 of the Punjab State Public Service Commission (Conditions of Service) Regulations, a member of the Commission can, if he so elects, subscribe to the GPF in accordance with the GPF Rules in force from time to time in the Punjab, whereas in the UPSC (Conditions of Service) Regulations, there is a specific provision that the PF accumulations of an officer who is appointed to the Commission as a member while in service under any Government in India shall become payable to him on the date on which he would have superannuated from service had he not been appointed to the Commission. Unless the Regulations in force governing the conditions of service of members and chairman of the PSC of Punjab specifically provide to the contrary, and unless the officer chooses to retain his accumulations in the fund for a further period under proviso(1) to rule 28 of AIS (PF) Rules, 1955, the accumulations in the AIS PF of the members of the SPSC who was accumulations in the AIS PF of the members of the SPSC who was formerly a member of IAS shall become payable to him on the date of his normal superannuation from IAS in accordance with the IAS (PF) Rules.

[G.I., MHA letter No. 6/16/62—AIS (II) dated 10<sup>th</sup> September, 1962].

#### GOVERNMENT OF INDIA'S DECISIONS UNDER RULE 35

1. ***State Governments are competent to order conversion of the Temporary Advance to a non-refundable one in relaxation of the provisions of rule 12, under the powers vested in them under rule 35:*** - A question was raised whether under rule 35 of the All India Services (Provident Fund) Rules, 1955, the State Government were competent to relax the provisions contained in rule 12 thereof, and order conversion of a



Temporary Advance to a non-refundable one for a purpose which was not provided for under the rules.

2. The Government of India have held that rule 35 empowers the Government to decide the case of a subscriber, in a manner other wise than that provided for in the rules, provided that it is convinced that the operation of the rules is likely to cause undue hardship to a subscriber, Rule 35 has a wider scope than merely to provide for relaxation of the existing rules. Accordingly the State Government were competent to order conversion of the Temporary Advance to a non-refundable one in relaxation of the provisions of rule 12, under the powers vested in them under rule 35.

[G.I., M.H.A. letter No. F. 5/22/64—AIS(II), dated 22nd October, 1964]

**2. Restrictions suggested for the State Governments while invoking the powers conferred by rule 35:** - All India Services (Provident Fund) Rules, 1955 provide for the grant of refundable advances and part-final withdrawal from the Fund for the purpose specified in the Rules, to subscribers who have completed the prescribed period of service. Rule 35 of the Rules ibid vest power in the State Governments to allow refundable advances and part-final withdrawals from the Fund in relaxation of the exhaustive provisions of the general rules and even for the purposes not specified in the rules.

2. The comptroller and Auditor General of India has brought to the notice of the Central Government certain cases in which there seems to be some doubt regarding the propriety of the State Government invoking their special power under the aforesaid Rule 35.

3. Although it is not intended to restrict the powers of the State Government available to them under the above rule, it is considered necessary to draw their attention to the fact that the special powers under this rule are to be invoked only in cases where the operation of any of these rules is likely to cause undue hardship to a member of the Service. Thus, it may not be appropriate to invoke the powers conferred by rule 35 ibid with a view to—

- (a) allowing part-final withdrawal to a subscriber who has not completed the prescribed period of service after the expiry of which one becomes eligible for part-final withdrawal;
- (b) postponing the recovery of an advance for a period after the expiry of which subscriber became entitled to convert that advance into a part-final withdrawal;
- (c) allowing part-final withdrawal for purposes entirely unrelated to those prescribed in the rules (e.g. construction of brother's or son's house, niece's marriage, meeting a bank overdraft etc.)

4. For the enumeration of the State Government, it may be mentioned here that on its part, the Central Government has not invoked its powers under rule 35 ibid in case such as those mentioned at (a & (b) in para 2 above. As for permission for part-final withdrawal, for purposes not prescribed in the rules, it is being granted only for purposes directly concerned with a prescribed purpose (i.e. part-final withdrawal for payment of fees for registration of any for allotment of a DDA Flat is directly connected with payment of the price of the flat.) The Central Government has also been agreeing, on merits, to relax the monetary limit upto which a part-final withdrawal is permitted under the rules, and also the maximum number of instalments in which an advance is recoverable under the rules. The maximum period upto which interest on P.F. balance can be allowed after



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the subscriber quits service is also relaxed by the Central Government in cases where the subscriber is not responsible for the delay in final payment. In such cases the Central Government allow interest upto the end of the month preceding the month of the final payment.

5. The above enumeration, which is illustrative and not exhaustive, is not intended to impose any fetters on the exercise of the independent powers of the State Government under Rule 35 *ibid* but to impress upon them the desirability of invoking the special powers referred to above only in hard cases.

[DP&T letter No. 11026/8/77—AIS—III dated 8.6.78]



THE PUBLIC PROVIDENT FUND ACT, 1968

(ACT No. 23 OF 1968)

[16<sup>th</sup> May, 1968]

An Act to provide for the institution of a provident fund for the general public.

BE it enacted by Parliament in the Nineteenth Year of the Republic of India as follows:-

Short title and extent.

- 1.** (1) This Act may be called the Public Provident Fund Act, 1968.  
(2) It extends to the whole of India.

Definitions.

- 2.** In this Act, unless the context otherwise requires,-

(a) "Fund" means the Public Provident Fund established under the Scheme;

(b) "minor" means a person who is not deemed to have attained majority under the Indian Majority Act, 1875;

(c) "Scheme" means the Public Provident Fund Scheme framed under sub-section (1) of section 3;

(d) "subscriber" means an individual who makes subscription to the Fund under section 4 and where such subscription is made by an individual on behalf of a minor, of whom he is the guardian, such minor;

(e) "year" means the financial year.

Public Provident Fund Scheme.

- 3.** (1) The Central Government may, by notification in the Official Gazette, frame a scheme to be called the Public Provident Fund Scheme for the establishment of a provident fund for the general public and there shall be established, as soon as may be after the framing of the Scheme, a Fund in accordance with the provisions of this Act and the Scheme.

(2) Subject to the provisions of this Act, the Scheme may provide for all or any of the matters specified in the Schedule.

(3) The Scheme shall have effect notwithstanding anything contained in any law for the time being in force other than this Act or in any instrument having effect by virtue of any law other than this Act.

9 of 1875



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(4) The Central Government may, from time to time, by notification in the Official Gazette, add to, amend or vary the Scheme.

Subscriptions  
to Fund.

**4.** Any individual may, on his own behalf or on behalf of a minor, of whom he is the guardian, subscribe to the Fund in such manner and subject to such maximum and minimum limits as may be specified in the Scheme.

Interest.

**5.** All subscriptions made under section 4 shall bear interest at such rate as may be notified by the Central Government in the Official Gazette, from time to time, and the interest shall be calculated in such manner as may be specified in the Scheme.

Withdrawals.

**6.** (1) A subscriber shall be entitled to make withdrawals from the amount standing to his credit in the Fund (including any interest accrued thereon) to such extent and subject to such terms and conditions as may be specified in the Scheme:

Provided that such withdrawals shall be allowed only after the expiry of a period of five years from the end of the year in which he makes the initial subscription to the Fund.

(2) Notwithstanding anything contained in sub-section (1), a subscriber shall be entitled to withdraw the entire balance standing to his credit in the fund after the expiry of a period of fifteen years from the end of the year in which he makes the initial subscription to the Fund.

(3) Subject to the provisions of sub-sections (1) and (2), an individual who has made subscriptions to the Fund on behalf of a minor, of whom he is the guardian, shall be entitled to withdraw any amount from the Fund only for the use of the minor.

Grant of loans.

**7.** A subscriber may be granted loans out of the amount standing to his credit in the Fund on such terms and conditions as may be specified in the Scheme and where the subscriber is a minor, such loans shall be granted to his guardian only for the use of the minor.

Payment on  
death of  
subscriber.

**8.** (1) If a subscriber dies and there is in force at the time of his death a nomination in favour of any person, all amounts standing to his credit in the Fund shall be payable to the nominee.

(2) Where the nominee is a minor, the amounts referred to in sub-section (1) shall be payable to any guardian of the property of the minor appointed by a competent court, or where no such guardian has been so appointed, to either parent of the minor, or where neither parent is alive, to any other guardian of the minor.

(3) Where there is no nomination in force at the time of the death of the subscriber, the amounts referred to in sub-section (1) shall be payable to his legal heirs.



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Protection against attachment.

**9.** The amount standing to the credit of any subscriber in the Fund shall not be liable to attachment under any decree or order of any court in respect of any debt or liability incurred by the subscriber.

Protection of action taken in good faith.

**10.** No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act or the Scheme.

Power to remove difficulties.

**11.** (1) If any difficulty arises in giving effect to the provisions of this Act or the Scheme, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for the removal of the difficulty:

Provided that no such order shall be made after the expiration of three years from the commencement of this Act.

(2) Every order made under sub-section (1) shall be laid as soon as may be after it is made before each House of Parliament.

Scheme to be laid before Parliament.

**12.** The Scheme shall be laid, as soon as may be, after it is framed before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in any provision of the Scheme or both Houses agree that any provision in the Scheme should not be made, the provision of the Scheme shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that provision.

### THE SCHEDULE

[See section 3 (2)]

Matters for which provision may be made in the Scheme:-

(1) The manner in which subscriptions to the Fund may be made and the maximum and minimum limits of such subscriptions.

(2) The manner in which interest on subscriptions to the Fund may be calculated.

(3) The documents to be issued to subscribers as evidence of the subscriptions made by them to the Fund.





- (4) The extent to which and the terms and conditions under which withdrawals may be made by subscribers from the amount standing to their credit in the Fund.
- (5) The authority or authorities by or through whom subscriptions to the Fund may be collected or withdrawals therefrom may be made.
- (6) The terms and conditions under which loans may be granted to subscribers out of the amounts standing to their credit in the Fund and the authority or authorities by whom such loans may be granted.
- (7) The accounts to be maintained with respect to subscriptions to the Fund, and withdrawals and final payments made and loans granted therefrom and the authority or authorities by whom such accounts shall be maintained.
- (8) The nomination of any person to receive the amount standing to the credit of a subscriber in the Fund in the event of his death and the cancellation or change of such nomination.
- (9) The issue of duplicate of any document issued as evidence of any subscription to the Fund in the event of damage, loss or destruction of the original and the fee on the payment of which such duplicate may be issued.
- (10) Any other matter which is to be provided for in the Scheme or which may be necessary or proper for the purpose of implementing the Scheme.

**This is for public information:**

**"This document is a copy of the notification. The accuracy of conversion to the electronic medium is subject to usual constraints. Hence, nothing in the above document may be construed as an authority. For legal purposes the original notification may be referred to."**



## **THE PUBLIC PROVIDENT FUND SCHEME, 1968**

[Issued vide Government of India, MOF (DEA) Notification No. GSR 1136 dated 15.6.1968 and further amended from time to time]

GSR 1136;- In exercise of the power conferred by Section 3 of the Public Provident Fund Act, 1968 (23 of 1968), the Central Government hereby makes the following scheme, namely:-

**1. Short title and commencement:- (1)** This scheme may be called the Public Provident Fund Scheme, 1968.

(2) It shall come into force on 1st July, 1968.

**2. Definitions:-** In this scheme, unless the context otherwise requires:-

- (a) **'Account'** means a Public Provident Fund Account under this scheme.
- (b) **'Accounts Office'** means an office or branch of the State Bank of India, may subsidiary bank of the State Bank of India (excluding a pay office, a sub pay office or any other office managed by single officer or clerk) and any other office authorized by the Central Government to receive subscriptions under the scheme;
- (c) **'Accounts Officer'** means the person who for the time being is in charge of an Accounts Office.
- (d) **'Act' means** the Public Provident Fund Act, 1968 (23 of 1968)
- (e) **'Form'** means a form appended to this scheme;
- (ee) **'Guardian'** in relation to a minor, means:-
  - (i) Father or mother and
  - (ii) Where neither parent is alive, or where the only living parent is incapable of acting, a person entitled under the law for the time being in force to have care of the property of minor;
- (f) **'Year'** means the financial year (1st April to 31<sup>st</sup> March)

**3. Limit of subscription:- (1)** Any individual may, on his own behalf or on behalf of a minor of whom he is the guardian, subscribe to the Public Provident Fund (hereafter referred to as the fund) any amount not less than **Rs. 500 and not more than Rs. 70,000 in a year.**

(2) Notwithstanding anything contained in sub-paragraph (1), an individual may also subscribe to the fund on behalf of:-

- (a) a Hindu Undivided Family, or
- (b) 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 territories of Dadra and Nagar Haveli and Daman and Diu, by whom or on whose behalf money is deposited in an account and the deposit means money is deposited.



## How to Grow Money – Part II

Out of the income of the Hindu Undivided Family or an association of persons or body of individuals, as the case may be, any amount not less than **Rs. 500 and not more than Rs. 70,000 in a year.**

**Non Resident Indians** are not eligible to open an account under the Public Provident Fund Scheme:-

Provided that if a resident who subsequently becomes Non Resident Indian during the currency of the maturity period prescribed under Public Provident Fund Scheme, may continue to subscribe to the Fund till its maturity on a Non Repatriation Basis.

[MOF (DEA) Notification No GSR 585 (E) dated 25.7.2003]

**4. Manner of making the subscription:-** (1) Every individual desirous of subscribing to Fund under the Scheme for the first time either on his own behalf or on behalf of a minor of whom he is the guardian or on behalf of a Hindu Undivided Family of which he is a member or on behalf of an Association of persons or a Body of individuals as referred to in sub rule 2(b) of Rule 3 above shall apply to the Accounts Office in Form A, or as near thereto as possible together with the amount of initial subscription which shall be integral multiples of Rs.5

(2) On receipt of an application under sub-paragraph(1), the Accounts Office shall open an account in the name of the subscriber and issue a pass book to him, wherein all amount of deposits, withdrawals, loans and repayment thereof together with interest due shall be entered over the signature of the Accounts Officer with the date stamp.

(3) The subscriber shall deposit his subscription with the Account Office with challan in **Form B**, or as near thereto as possible. The counterfoil of the challan shall be returned to the depositor by the Account Office, duly evidenced by receipt. In the case of deposits made by cheques or draft or pay order, the Accounts Office, may issue a paper token to the depositor pending realization of the proceeds.

(4) Every subscription shall be made in cash or by crossed cheques or draft or pay order in favour of the Accounts Officer at the place at which that office is situated.

**5. Number of subscription:** The subscription, which shall be in multiples of Rs. 5 may, for any year, be paid into the account in one lump sum or installments not exceeding twelve in a year.

**6. Transfer of Account:-** A subscriber may apply for transfer of his account from one "Account Office" to another "Account Office".

**7. Issue of duplicate pass book, etc.:-** (1) In the event of loss or destruction of a pass book issued by an Accounts Office, the Accounts Office may, on an application made to it in this behalf, and on payment of **rupee one** by the subscriber, issue a duplicate thereof to him.

(2) **Condonation of default:-** A subscriber who fails to subscribe in any year according to the limits specified in paragraph 3, may approach the Accounts



Office for condonation of the default, on payment , for each year of default , a fee of Rs. 50 alongwith arrear subscription of Rs. 500 for each year.

**8. Interest -** Interest at the rate , notified by the Central Government in official gazette from time to time, shall be allowed for calendar month on the lowest balance at credit of an account between the close of the fifth day and the end of the month and shall be credited to the account **at the end of each year.**

Provided that where the interest to be credited contains a part of a rupee. Then, if such 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.

**9. Withdrawals from the Fund:-** (1) Any time after the expiry of five years from the end of the year in which the initial subscription was made , a subscriber may, if he so desires, apply in **Form C** or as near thereto as possible, together with his pass book to the Accounts Office withdrawing from the balance to his credit, an amount not exceeding fifty per cent of the amount that stood to his credit at the end of the forth year immediately preceding the year of withdrawal or at the end of preceding year, whichever is lower, less the amount of loan, if any, drawn by him under paragraph 10 and which remains to be repaid:

Provided that not more than one withdrawal shall be permissible during any one year.

(2) On receipt of an application under sub paragraph (1) the Accounts Office may, after satisfying itself that the amount of withdrawal applied for is not in excess of the limit prescribed in sub-paragraph (1) and that the applicant has, till the date of application, been subscribing according to the limit specified in paragraph 3, subject to the provisions of sub-paragraph (4) permit the withdrawal and enter the amount withdrawn in the pass book.

**(3) Closure of account or continuation of account without deposits after maturity:-** Notwithstanding the provisions of sub-paragraph (1), any time after the expiry of 15 years from the end of the year in which the initial subscription was made by him, a subscriber may, if he so desires, apply in **Form C** or as 'near thereto as possible together with his pass book to the Accounts Office for the withdrawal of the entire balance standing to his credit and the Accounts Office, on receipt of such an application from the subscriber, shall subject to the provisions of sub-paragraph (4) allow the withdrawal of the entire balance (together with interest up to the last day of the month preceding the month in which the application for withdrawals made) after making adjustments, if any, in respect of any interest due from the subscriber on loans taken by him and close his account.

Provided that a subscriber may, if he so desires, make withdrawal of the amount standing to his credit, from time to time, in installments not exceeding one in a year.

**(3A) Continuation of account with deposits after maturity :-** Subject to the provisions of sub-paragraph (3) a subscriber may, on the expiry of 15 years from the end of the year in which the initial subscription was made but before



then expiry of one year thereafter, may exercise an option with the Accounts Office in **Form H**, or as near thereto as possible, that he would continue to subscribe for a further block period of 5 years according to the limits of subscription specified in paragraph 3.

(3B) In the event of a subscriber opting to subscribe for the aforesaid block period he shall be eligible to make partial withdrawals not exceeding one every year by applying to the Accounts Office in **Form C**, or as near thereto as possible, subject to the condition that the total of the withdrawals, during the 5 year block period, shall not exceed 60 percent of the balance at his credit at the commencement of the said period.

**10. Loans:-** (1) Notwithstanding the provisions of paragraph 9, any time after the expiry of one year from the end of the year in which the initial subscription was made but before expiry of five years from the end of the year in which the initial subscription was made, a subscriber may, he so desires, apply in **Form D** or as near thereto as possible, together with his pass book to the Accounts Office for obtaining loan consisting of a sum of whole rupees not exceeding twenty five percent of amount that stood to his credit to at the ends of the second year immediately preceding the year in which the loan is applied for.

(2) On receipt of an application under sub-paragraph (1) the Accounts Office may, after satisfying itself that the amount of loan applied for is not in excess of the limit prescribed in sub-paragraph (1) and that the applicant has, till the date of application, been subscribing according to the limit specified in paragraph 3, subject to the provisions of sub paragraph (3), sanction the loan and enter the amount in the pass book.

(3) Where the application is made by a person who has made subscriptions to the Fund on behalf of a minor of whom he is the guardian, he shall furnish a certificate in the following form, namely:-

‘certified that the amount for which loan is applied for is required for the use of ..... Who is alive and is still a minor.”

**11. Repayment of loan and interest :-** (1) The principal amount of a loan under this Scheme shall be repaid by the subscriber before the expiry of thirty six months from the first day of the month following the month in which then loan is sanctioned. The repayment may be made either in one lump sum or in two or more monthly installments within the prescribed period of thirty six months. The repayment will be credited to the subscriber's account.

(2) After the principal of the loan is fully repaid, the subscriber shall pay interest thereon in not more than two monthly installments at the rate of **one percent per annum** of the principal for the period of commencing from the first day of the month following the month in which the loan is drawn up to the last day of the month in which the last installment of the loan



Provided that where the loan is repaid, only in part within the prescribed period of thirty six months, interest on the amount of loan outstanding shall be charged at **six per cent per annum** instead of at one per cent per annum from the first day of the month following the month in which the loan was obtained to the last day of the month in which the loan is finally repaid.

(3) The interest on the amount of loan outstanding under the proviso to sub-paragraph (2) and any portion on interest payable, but not paid, on any loan, the principal amount of which has already been repaid within the prescribed period of thirty six months, may, on becoming due, be debited to the subscriber's account.

(4) The interest recoverable shall accrue to the Central Government .

**12. Nomination and repayment after death of subscriber :-**

(1) subscriber to the fund may nominate in **Form E** or, as near thereto as possible, one or more persons to receive the amount standing to his credit in the event of his death before the amount has become payable or, having become payable, has not been paid.

**Note:-** Nomination may also be made in respect of an account opened on behalf of a Hindu Undivided Family (HUF).

(2) No Nomination shall be made in respect of an account opened on behalf of minor.

[MOF (DEA) Notification No. GSR 477 (E) dated 25.5.1994]

(3) A nomination made by a subscriber may be cancelled or varied by a fresh nomination in **Form F** or, as near thereto as possible by giving notice in writing to the Accounts Office in which the account stands.

(4) Every nomination and every cancellation or variation thereof shall be registered in the Accounts Office and shall be effective from the date of such registration, the particulars of which shall be entered in the pass book.

(5) If any nominee is a minor, the subscriber may appoint any person to receive the amount due under the account in the event of the death of the subscriber during the minority of the nominee.

(6) Notwithstanding the provisions contained in paragraph 9-

- a. If a subscriber to an account in respect of which a nomination is in force dies, the nominee or nominees may make an application in **Form G** or, as near thereto as possible, to the Accounts Office together with proof of death of the subscriber and on receipt of such application all amounts standing to the credit of the subscriber after making adjustment, if any, in respect of



interest on loans taken by the subscriber shall be repaid by the Accounts Office itself to the nominee or nominees.

Provided that if any nominee is dead, the surviving nominee or nominees shall, in addition to the proof of death of the subscriber, also furnish proof of the death of the deceased nominee.

- b. Where there is no nomination in force at the time of death of the subscriber, the amount standing to the credit of the deceased after making adjustment, if any, in respect of interest on loans taken by the subscriber, shall be repaid by the Accounts Office to the legal heirs of the deceased on receipt of application in **Form G** in this behalf from them.

Provided that the balance **up to Rs. 1 lakh** may be paid to the legal heirs on production of (i) a letter of indemnity, (ii) an affidavit, (iii) a letter of disclaimer on affidavit, and (iv) a certificate of death of subscriber, on stamped paper, in the forms as in **Annexure to Form G**.

(7) A subscriber to the Fund cannot nominate a trust as his nominee.

**13. Power to relax:-** Where the Central Govt is satisfied that the operation of the any of the provisions of this scheme causes undue hardship to a subscriber, 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.



How to Grow Money – Part II



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

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RBI/2011-12/291

DGBA.CDD. No. H- 3572 /15.02.001/2011-12

December 05, 2011

The Chairman and Managing Director/Managing Director  
Government Accounts Department/Head Office  
State Bank of India/State Bank of Patiala/  
State Bank of Bikaner & Jaipur/State Bank of Travancore/  
State Bank of Hyderabad/State Bank of Mysore/ Andhra Bank/  
Allahabad Bank/Bank of Baroda/Bank of India/  
Bank of Maharashtra/Canara Bank/Central Bank of India/  
Corporation Bank/Dena Bank/Indian Bank/Indian Overseas Bank/  
Punjab National Bank/Syndicate Bank/UCO Bank/  
Union Bank of India/United Bank of India/Vijaya Bank/IDBI Bank/ICICI Bank Ltd.

Dear Sir/Madam,

**Amendment to Public Provident Fund Scheme, 1968 (PPF, 1968)**

We forward herewith a copy of Government of India Notifications G.S.R. (E) & S.O.(E) dated November 25, 2011, on the captioned subject, the contents of which are self-explicit.

2. In this regard, we advise that the contents of the Notifications may be brought to the notice of the branches of your bank operating the PPF, 1968 and may also be displayed on the notice boards of your branches for the information of the PPF, 1968 subscribers.

Yours faithfully

(Shrikant Hamine)  
Manager

Encls: 2

यह विभाग आईएसओ 9001-2000 प्रमाणित है।

सरकारी और बैंक लेखा विभाग, केन्द्रीय कार्यालय, भायखला ऑफिस बिल्डिंग,  
4 थी मंजिल, मुंबई सेंट्रल रेलवे स्टेशन के सामने, भायखला, मुंबई-400 008

**This Department is ISO 9001-2000 Certified.**

Department of Government & Bank Accounts, Central Office, Byculla Office Building,  
4th Floor, Opp. Mumbai Central Railway Station, Byculla, Mumbai – 400008.

Telephone: (022) 23084121, Fax: (022) 2301 0095/2300 0370, e-mail: [cgmicdqbaco@rbi.org.in](mailto:cgmicdqbaco@rbi.org.in)





[TO BE PUBLISHED IN THE GAZETTE OF INDIA: EXTRAORDINARY, PART II – SEC. 3 (II)]

New Delhi, the 25<sup>th</sup> November, 2011

**MINISTRY OF FINANCE**  
**(Department of Economic Affairs)**

**NOTIFICATION**

**G.S.R. (E).** – In exercise of the powers conferred by sub-section (4) of section 3 of the Public Provident Fund Act, 1968 (23 of 1968), the Central Government hereby makes the following further amendment to the Public Provident Fund Scheme, 1968, namely : -

1. (1) This Scheme may be called the Public Provident Fund (Amendment) Scheme, 2011.

(2) It shall come into force on the 1<sup>st</sup> day of December 2011.

2. In the Public Provident Fund Scheme, 1968, -

(i) in paragraph 3, in sub-paragraph (1), for the letters and figures “Rs 70,000/-“, the letters and figures “Rs 1,00,000” shall be substituted;

(ii) in paragraph 11, in sub-paragraph (2), for the words “one per cent. per annum”, the words “two per cent. per annum”, shall be substituted;

(iii) in Form-A, in paragraph (iv), for the letters and figures “Rs70,000/-“, the letters and figures “Rs 1,00,000” shall be substituted.

**[F.No. 1/9/2011-NS-II]**  
**M.A. Khan, Under Secretary**

Note :- The Scheme was notified *vide* notification G.S.R.1136(E), dated 15.06.1968 and amended *vide* G.S.R. 368 (E), dated 1.8.72, G.S.R. 217(E) dated 9.3.79, G.S.R. 271(E), dated 16.3.83, G.S.R. 54 (E), dated 7.2.84, G.S.R. 895(E), dated 23.6.86, G.S.R.1013 (E), dated 20.8.86, G.S.R.793 (E), dated 29.8.89, G.S.R. 477(E), dated 25.5.94, G.S.R. 489(E) dated 6.7.99, G.S.R. 908 (E) dated 6.12.2000, G.S.R. 679 (E), dated 4.10.2002, G.S.R.768(E), dated 15.11.2002, G.S.R. 585 (E), dated 25.7.2003, G.S.R.690 (E) dated 27.8.2003, G.S.R.755(E), dated 19.11.2004, G.S.R.291(E), dated 13.5.2005 and G.S.R.956(E), dated 7.12.2010.



[TO BE PUBLISHED IN THE GAZETTE OF INDIA: EXTRAORDINARY, PART II – SEC. 3 (II)]

New Delhi, the 25<sup>th</sup> November, 2011

**MINISTRY OF FINANCE**  
**(Department of Economic Affairs)**

**NOTIFICATION**

**S.O. (E).** – In pursuance of section 5 of the Public Provident Fund Act, 1968 (23 of 1968), the Central Government hereby notifies that the subscriptions made to the fund on or after the 1<sup>st</sup> day of December, 2011 and balances at the credit of the subscriber shall bear interest at the rate of 8.6 per cent. per annum.

**[F.No. 1/9/2011-NS-II]**  
**M.A. Khan, Under Secretary**

Note :- The Principal notification was published in the Gazette of India vide number S.O.48(E) dated 15<sup>th</sup> January, 2000 and subsequently amended vide S.O.192 (E) dated 1<sup>st</sup> March 2011, S.O.271 (E) dated 1<sup>st</sup> March, 2002 and S.O. 250(E) dated 1<sup>st</sup> March, 2003.



## THE PROVIDENT FUNDS ACT, 1925

(Act No. 19 of 1925)

An Act to amend and consolidate the law relating to Government and other Provident Funds

Whereas it is expedient to amend and consolidate the law relating to Government and other Provident Funds ;

It is hereby enacted as follows :

\* \* \* \*

**2. Definitions.**—In this Act, unless there is anything repugnant in the subject or context,—

(a) "compulsory deposit" means a subscription to, or deposit in, a Provident Fund which, under the rules of the Fund, is not, until the happening of some specified contingency, repayable on demand otherwise than for the purpose of the payment of premia in respect of a policy of life insurance, or the payment of subscriptions or premia in respect of a family pension fund, and includes any contribution and any interest or increment which has accrued under the rules of the Fund on any such subscription, deposit or contribution, and also any such subscription, deposit, contribution, interest or increment remaining to the credit of the subscriber or depositor after the happening of any such contingency ;

(b) "contribution" means any amount credited in a Provident Fund, by any authority administering the Fund, by way of addition to, a subscription to, or deposit or balance at the credit of an individual account in, the Fund : and "Contributory Provident Fund" means a Provident Fund the rules of which provide for the crediting of contributions; \* \* \* \*

(d) "Government Provident Fund" means a Provident Fund, other than a Railway Provident Fund, constituted by the authority of the Secretary of State, the Central Government, the Crown Representative or any State Government for any class or classes of persons in the service of the Government or of persons employed in educational institutions or employed by bodies existing solely for educational purposes, and references in this Act to the Government shall be construed accordingly;

(e) "Provident Fund" means a fund in which subscriptions or deposits of any class or classes of employees are received and held on their individual accounts, and includes any contributions and any interest or increment accruing on such subscriptions, deposits or contributions under the rules of the Fund ;

\* \* \* \*

**4. Provisions regarding repayments.**—(1) When under the rules of any Government or Railway Provident Fund the sum standing to the credit of any subscriber or depositor, or the balance thereof after the making of any deduction authorised by this Act, has become payable, the officer whose duty it is to make the payment shall pay the sum or balance, as the case may be, to the subscriber, or depositor, or, if he is dead, shall—



## How to Grow Money – Part II

(a) if the sum or balance, or any part thereof, vests in a dependant under the provisions of section 3, pay the same to the dependant or to such person as maybe authorised by law to receive payment on his behalf, or

(b) if the whole sum or balance, as the case may be, does not exceed five thousand rupees, pay the same, or any part thereof, which is not payable under clause (a), to any person nominated to receive it under the rules of the Fund, or, if no person is so nominated, to any person appearing to him to be otherwise entitled to receive it; or

(c) in the case of any sum or balance, or any part thereof, which is not payable to any person under clause (a) or clause (b) pay the same,—

(i) to any person nominated to receive it under the rules of the Fund, on production by such person of probate or letters of administration evidencing the grant to him of administration to the estate of the deceased or a certificate granted under the Succession Certificate Act, 1888 (7 of 1889)[Now the Indian Succession Act, 1925 (39 of 1925)—Ed.], or under the Bombay Regulation VIII of 1827, entitling the holder thereof to receive payment of such sum, balance or part, or

(ii) where no person is so nominated, to any person who produces such probate, letters or certificate :

Provided that, where the whole or any part of any sum standing to the credit of the subscriber or depositor has been assigned to any other person before the commencement of this Act, and notice in writing of the assignment has been received by the officer from the assignee the officer shall, after making any deduction authorised by this Act and any payment due under clause (a) to or on behalf of the widow or children of the subscriber or depositor—

(i) if the subscriber or depositor or, if he is dead, the person to whom in the absence of any valid assignment the sum or balance would be payable under this sub-section gives his consent in writing, pay the sum or part or the balance thereof, as the case may be, to the assignee, or

(ii) if such consent is not forthcoming, withhold payment of the sum, part or balance, as the case may be, pending a decision of a competent Civil Court as to the person entitled to receive it.

(2) The making of any payment authorised by sub-section (1) shall be a full discharge to the Government or the railway administration, as the case may be, from all liability in respect of so much of the sum standing to the credit of the subscriber or depositor as is equivalent to the amount so paid.

\* \* \* \*

**8. Power to apply the Act to other Provident Funds.**—(1) The appropriate Government may, by notification in the Official Gazette, direct that the provisions of this Act (except section 6-A) shall apply to any Provident Fund established for the benefit of its employees by any local authority within the meaning of the Local Authorities Loans Act, 1914 (9 of 1914) and, on the making of such declaration, this Act shall apply accordingly, as if such Provident Fund were a Government Provident Fund and such local authority were the Government.

(2) The appropriate Government may, by notification in the Official Gazette, direct that the provisions of this Act (except section 6-A) shall apply to any Provident Fund established for the benefit of the employees of any of the institutions specified in the Schedule, or of any group of such institutions, and, on the making of such declaration, this Act shall apply accordingly, as if such Provident Fund were a Government Provident Fund and the authority having custody of the Fund were the Government :



## How to Grow Money – Part II

Provided that section 6 shall apply as if the authority making the contribution referred to in that section were the Government.

(3) The appropriate Government may, by notification in the Official Gazette, add to the Schedule the name of any public institution it may deem fit, and any such addition shall take effect as if it had been made by this Act.

(4) In this section "the appropriate Government" means—

(a) in relation to a cantonment authority a port authority for a major port, and any institution which, or the objects of which, appear to the Central Government to fall within List I of the Seventh Schedule to the Constitution, the Central Government ; and

(b) in other cases, the State Government.

**Explanation.**—"The State Government" in relation to an institution registered under the Societies Registration Act, 1860 (21 of 1860), means the State Government of the State in which the society is registered.

\* \* \* \*

### THE SCHEDULE

#### LIST OF INSTITUTIONS

[See sub-section (2) of section 8]

1. The Pasteur Institute of India, Kasauli.
2. The Calcutta Improvement Tribunal.
3. A Court of Wards.
4. The Indian Central Cotton Committee.
5. The Trustees for the European Hospital for mental diseases at Ranchi.
6. The National Association for supplying female medical aid to the women of India.
7. A College affiliated to a University established by statute.
8. The Indian Coal Grading Board.
9. The Lady Minto's Indian Nursing Association.
10. The Indian Red Cross Society.
11. The Indian Lac Cess Committee.
12. The Madras State Branch of the Indian Red Cross Society.
13. The Imperial Bank of India.
14. The Bihar and Orissa Medical Examination Board. \* \* \* \*



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**How to Grow Money – Part II**

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1. The Institution created for the control of emigrant labour under the Tea Districts Emigrant Labour Act, 1932.
2. The Bombay Board of Film Censors.
3. The Calcutta University.
4. The Central Board of Irrigation.
5. The Reserve Bank of India. \* \* \* \*
1. The Banaras Hindu University.
2. The Medical Council of India.
3. The Indian Coffee Cess Committee.
4. The Inter-State Board for Anglo-Indian and European Education.
5. The Indian Research Fund Association.
6. The Delhi Joint Water and Sewage Board.
7. The Tuberculosis Association of India.
8. The Coal Mines Storing Board.
9. A Group Committee of the Sleeper Pool of Indian Railways.
10. The Indian Coffee Market Expansion Board.
11. The Coal Mines Rescue Stations Committee.
12. The Indian Coffee Board. \* \* \* \*
1. The Indian Rubber Board.
2. The Indian Central Sugarcane Committee.
3. All-India Cattle Show Committee.
4. The Coal Mines Labour Welfare Fund.
5. The Indian Coconut Committee.
6. The Indian Central Tobacco Committee.
7. The Employees State Insurance Corporation.
8. The Indian Tea Licensing Committee.
9. The Coal Board established under the Coal Mines (Conservation and Safety) Act, 1952 (12 of 1952).
10. The Delhi Road Transport Authority, New Delhi.
11. The Central Tea Board.
12. The Indian Central Oilseeds Committee.



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**How to Grow Money – Part II**

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13. The Central Institute of Research in Indigenous Systems of Medicine, Jamnagar.
14. The Indian Standards Institution, Delhi.
15. The Textiles Committee.
16. The Deshbandhu College, Kalkaji.
17. The Damodar Valley Corporation.
18. The Central Silk Board.
19. The University Grants Commission, New Delhi.
20. The Khadi and Village Industries Commission.
21. The Lawrence School (Sanawar) Society.
22. The Kalavati Saran Children's Hospital, New Delhi.
23. Air India International Corporation.
24. All India Cattle Show Committee.
25. All India Institute of Medical Sciences.
26. Andhra Pradesh State Financial Corporation.
27. Board of High School and Intermediate Education for Rajputana (including Ajmer-Merwara, Central India and Gwalior),
28. Bombay Dock Labour Board and the Administrative Body established under the Bombay Dock Workers (Regulation of Employment) Scheme, 1951—Also reserve pool workers registered under the Scheme.
29. Bombay State Financial Corporation.
30. Calcutta Dock Labour Board established under the Calcutta Dock Workers (Regulation of Employment) Scheme, 1956.
31. Calcutta Dock Workers under the Calcutta Dock Workers (Regulation of Employment) Scheme, 1956 reserve pool workers.
32. Central Board of Trustees for the Administration of the Provident Fund established under the Employees' Provident Fund Scheme, 1952.
33. Central Board for Workers' Education w.e.f. 1st Jan., 1960.
34. Central Institute of Research in Indigenous System of Medicine, Jamnagar.
35. Central Leprosy Teaching and Research Institute, Tirumani.
36. Central Silk Board.
37. Central Social Welfare Board.
38. Central Tea Board.
39. Coal Board (Employees not Government servants).



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40. Coal Mines Labour Welfare Fund (Employees not Government servants).
41. Coal Mines Reserve Stations Committee (Employees not Government servants).
42. Council of Scientific and Industrial Research, New Delhi.
43. Damodar Valley Corporation constituted under the Damodar Valley Corporation Act, 1948.
44. Delhi Joint Water and Sewage Board.
45. Delhi Road Transport Authority.
46. Delhi State Electricity Board constituted under the Electricity (Supply) Act, 1948.
47. Delhi Wakf Board.
48. Dental Council of India.
49. Deshbandhu College, Kalkaji.
50. Eastern Group Committee of the Sleeper Pool of Indian Railways.
51. Employees' State Insurance Corporation.
52. Hans Raj College, Delhi (Teaching and Clerical Staff).
53. Hind Kusht Nivaran Sangh (Indian Leprosy Association).
54. Hindu College Delhi (Teaching and Clerical Staff).
55. Hyderabad State Financial Corporation. Name changed to Andhra Pradesh State Financial Corporation.
56. Indian Airlines Corporation.
57. Indian Central Arecanut Committee.
58. Indian Central Jute Committee.
59. Indian Central Coconut Committee.
60. Indian Central Cotton Committee (Servants).
61. Indian Central Oilseeds Committee.
62. Indian Central Sugarcane Committee.
63. Indian Central Tobacco Committee.
64. Indian Coffee Board.
65. Indian Council for Cultural Relations, New Delhi.
66. Indian Council of Agricultural Research.
67. Indian Council of Medical Research, New Delhi.
68. Indian Institute of Public Administration, New Delhi (w.e.f. 5th March, 1960).
69. Indian Institute of Technology, Bombay.





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**How to Grow Money – Part II**

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70. Indian Institute of Technology, Delhi.
71. Indian Institute of Technology, Kharagpur.
72. Indian Institute of Technology, Kanpur.
73. Indian Law Institute.
74. Indian Nursing Council—Contributory Provident Fund— non-pensionable employees.
75. Indian Rubber Board.
76. Indian Standards Institution, Delhi.
77. Indian Tea Licensing Committee.
78. Indraprastha College for Women, Alipur Road. Delhi (Teaching and Clerical Staff).
79. Industrial Finance Corporation of India under the Industrial Finance Corporation Act, 1948.
80. Institute of Applied Manpower Research, New Delhi.
81. Institute of Economic Growth, Delhi.
82. Institution created for the control of Emigrant Labour under the Tea District Emigrant Labour Act, 1932.
83. Jamnagar Research Institute (Contributory Provident Fund) Rules, 1956.
84. Janki Devi Mahavidyalaya, New Delhi.
85. Khadi and Village Industries Commission.
86. Kirori Mal College, Delhi.
87. Lady Irwin College for Women, New Delhi.
88. Lawrence School (Sanawar) Society Teaching and other staff.
89. Madras Dock Labour Board and the Administrative Body established under the Madras Dock Workers (Regulation of Employment) Scheme, 1952, also Reserve Pool workers registered under the Scheme.
90. Medical Council of India Non-pensionable Permanent Employees.
91. Mica Mines Labour Welfare Office, Establishment Contributory Provident Fund.
92. National Association for Supplying Female Medical Aid to the Women of India.
93. National Industrial Development Corporation Limited.
94. National Productivity Council.
95. Oil and Natural Gas Commission constituted under the Oil and Natural Gas Commission Act, 1959 (43 of 1959).
96. Pannalal Girdharilal D.A.V. College, New Delhi.
97. Pasteur Institute of India, Kasauli.
98. Port Haj Committee, Bombay.



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**How to Grow Money – Part II**

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99. Post-Graduate Training Centre in Ayurveda, Jamnagar.
100. Rajasthan Financial Corporation incorporated under the State Financial Corporation Act, 1951 (63 c 1951).
101. Ramjas College, Delhi (Teaching and Clerical Staff)
102. Sahitya Akademi, New Delhi.
103. Saurashtra Financial Corporation.
104. School of Planning and Architecture, New Delhi.
105. Shriram College of Commerce, New Delhi (Teaching and Clerical Staff).
106. Sri Guru Tegh Bahadur Khalsa College, Delhi.
107. State Bank of Hyderabad constituted by the Hyderabad State Bank Act No. XIX of 1350, Fasli and renamed as such by the State Bank of Hyderabad Act, 1956 (79 of 1956).
108. State Bank of Saurashtra constituted by the Saurashtra State Bank (Amalgamation) Ordinance, 1950, subsequently renamed as the State Bank of Saurashtra Act, 1950.
109. Tea Board.
110. Trustees for the European Hospital for Mental Diseases at Ranchi.
111. Tuberculosis Association of India.
112. University Grants Commission, New Delhi.
113. Visakhapatnam Dock Labour Board, established under the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1949).

[The above Act is referred to in sections 10(11), 10(25) and 88 of the Income-tax Act, 1961.]



## RESERVE BANK OF INDIA

### EMPLOYEES' PROVIDENT FUND REGULATIONS

In exercise of the power conferred by clause (j) of sub-section (2) of section 58 of the Reserve Bank of India Act, 1934, (II of 1934), the Central Board, with the previous sanction of the Central Government hereby makes the following regulations, which shall be known as the Reserve Bank of India Employees' Provident Fund Regulations, 1935, and shall come into force with effect from 1st October 1935.

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#### PART I

#### PERMANENT PROVISIONS

Constitution	1. A fund shall be created called "The Reserve Bank of India Employees' Provident Fund."
Administration	2. The Fund shall be held by the Bank and shall be administered by a Committee consisting of the Committee of the Central Board and of three persons, one of whom shall represent the Officers, the second the clerical staff and the third the staff in subordinate service to be nominated by the Governor, (hereinafter referred to in these Regulations as the Administrators of the Fund). Without prejudice to the specific powers conferred on them under the various Regulations, the Administrators of the Fund shall be entitled to exercise all powers and to do all acts and things on behalf of the Fund under these Regulations.
Meetings of Administrators	3. At every meeting of the Administrators the Governor or in his absence the Deputy Governor chosen by him shall preside. The presence of at least three administrators of whom one shall be the Governor or a Deputy Governor shall be necessary to form a quorum for the transaction of business. Each Administrator shall have one vote and in all cases of an equal division the Chairman shall have a casting vote.



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Statement of Accounts	<p>4. The accounts of the Fund shall be made up yearly as at the 31st March and an audited statement of the accounts as at that date will be submitted to a meeting of the Administrators to be held not later than 31st August or such later date as may be permitted by the Administrators every statement shall be made available to subscribers at each office and branch as soon as may be after such meeting.</p>
Membership for whom compulsory	<p>5. (i) Save as provided in part II of these Regulations, every permanent employee of the Bank shall be bound to subscribe to the Fund.</p> <p>(ii) An employee appointed on probation to a post in which, if confirmed, he will become a permanent employee shall be deemed to be a permanent employee for the purpose of these Regulations from the date of his first appointment.</p> <p>(iii) (a) A temporary employee other than an employee who is already contributing to some other provident fund may subscribe to the Fund, if so permitted by the Administrators.</p> <p>(b) Any other person in receipt of other than casual remuneration from the Bank may also subscribe to the Fund, if so permitted by the Administrators.</p> <p>Provided that where any sum is standing to the credit of such person in the Fund and has become payable to him by reason of the provisions of Regulation 14, such sum may, in exceptional cases, if so permitted by the Administrators, continue to stand to his credit in the Fund for such time as he is in receipt of other and interest shall, notwithstanding anything contained in Regulation 13, accrue on such sum.</p> <p>5.A. The Administrators, may, at the request of any employee required or permitted under Regulation 5 to subscribe to the Fund, receive to the credit of such employee any amount maintained by his former employer and transferred by the said employer directly to the Fund.</p>



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	<p>5.B. In case any arrears of pay or allowances become payable to any category of employees of the Bank and a decision is taken by the Bank that such arrears or part thereof, as the case may be, shall not be disbursed in cash but should be credited to the Provident Fund Accounts of the employees concerned, the Administrators should, at the request of the Bank, receive to the credit of such employees the amounts to be so credited to their Provident Fund Accounts.</p> <p>Provided that the Bank shall not be required to make any contribution in respect of any amounts so paid into the Fund.</p> <p>5.C. Notwithstanding anything to the contrary contained in these Regulations, till such time an associate institution establishes its own provident fund after framing the necessary regulations or rules, as the case may be, the Administrators may, in their discretion, receive subscriptions from persons who are employees of associate institutions and contributions on their behalf by the employer-associate institutions and retain such subscriptions and contributions and maintain and continue to maintain their accounts in the Fund and the powers in respect of such accounts may be exercised by the Administrators or such persons as may be nominated by the Administrators in this behalf, notwithstanding that such subscribers may not be or may have ceased to be employees of the Reserve Bank of India.</p>
	<p><u>Explanation</u></p> <p>For the purpose of this Regulation, an institution shall be deemed to be an "associate institution" if in the capital of such institution the Reserve Bank hold or had held not less than 40 per cent share.</p>
Rate of subscription	<p>6. The rate of subscription shall, as from the date on which the subscriber commences to subscribe, be fixed by the subscriber himself at not more than 10% nor less than 5% of his pay; such subscriptions shall be deducted by the Bank from his monthly pay in</p>



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	amounts calculated to the nearest half rupee. The rate of subscription within these limits when once fixed by the subscriber can be altered only after written intimation of not less than one calendar month in advance to the officer responsible for paying him.
	<p><u>Explanation</u></p> <p>In this Regulation, the expression "Pay"</p> <p>(i) includes substantive pay, special pay, personal pay, special personal pay, overseas pay, local pay and officiating pay;</p> <p>(ii) does not include any allowance or other emoluments unless specially classed as pay by the Central Board.</p>
Subscription of subscriber on leave	7. The subscription of a subscriber absent on leave shall, during the period of such absence, be assessed on his leave pay but any such subscriber shall be at liberty to subscribe on the full amount of his pay provided notice in writing of his desire to do so is given by him not less than 14 days in advance of the first payment of his leave salary to the officer responsible for paying him.
Bank's contribution	<p>8. Save as otherwise provided in these Regulations, the Bank shall contribute every month a sum equal to that subscribed by each subscriber, to his account in the Fund.</p> <p>Provided that no such contribution shall be made by the Bank in respect of subscribers to whom the Reserve Bank of India pension Regulations, 1990 apply and in respect of subscribers who have been permitted to subscribe under sub-regulation (iii) of Regulation 5.</p> <p>Provided further that in the case of a temporary employee subscribing under sub-regulation (iii) who is subsequently taken into the permanent employment of the Bank, and the Reserve Bank of India Pension Regulations, 1990 do not apply to the employee, then</p>



	<p>the Bank shall contribute, on the employee being made permanent, a sum equal to the amount subscribed by him during his temporary service.</p> <p>Provided further that in respect of a subscriber who has been permitted to subscribe under clause (b) of sub-regulation (iii) of Regulation 5, the Bank shall be liable to make contributions only if the conditions of service of such subscriber provide for the Bank making such contributions.</p> <p>8A. Notwithstanding anything contained in Regulation 8, where the terms of service of a Governor or a Deputy Governor provide for his subscribing to the Fund under sub-regulation (iii) of Regulation 5, the Bank shall, from such date as may be applicable under such terms of service, contribute every month to his account in the Fund, such sums, if any as may be provided for in the said terms of service.</p> <p>8B. The Administrators shall transfer to the Reserve Bank of India Employees' Gratuity and Superannuation Fund Regulations, 1975, the amount of contributions made by the Bank including the interest credited in respect thereof as on 31st October 1990 in respect of employees to whom the Reserve Bank of India Pension Regulations, 1990 apply.</p>
Interest	<p>9. The Bank shall credit interest on the amount standing to each subscriber's credit at the end of every half-year at a rate which shall be fixed by the Bank having regard to the return which can be obtained on the investment of other provident, charitable, religious and trust and quasi-trust funds in accordance with the rules, schemes or directions made, framed or given by the Central Government in this behalf. Such interest shall be calculated to the nearest paisa on the account and shall be applied to the accounts half-yearly as on the 31st March and 30th September.</p>
Annual statement of each subscriber's	<p>10. Every subscriber shall receive from the Administrators of the Fund an annual statement showing the amount standing to his credit in the Fund.</p>



account	
Borrowing from Fund	<p>11.(i) At the discretion of the Bank a temporary advance, the amount of which not in any case exceeding the subscriber's own subscription and interest thereon, may be granted to a subscriber on application, from the amount standing to his credit in the Fund, subject to the following conditions :-</p> <p>(a) The Bank is satisfied that the amount will be expended on the following object or objects and not otherwise :-</p> <p>(i) to pay expenses in connection with the illness or disability, including where necessary, the traveling expenses, of the subscriber or any person actually dependent on him;</p> <p>(ii) to meet the cost of higher education, including where necessary, the traveling expenses, of the subscriber or any person actually dependent on him in the following cases, namely :</p> <p>(a) for education outside India for an academic, technical, professional or vocational course beyond the High School stage; and</p> <p>(b) for any medical, engineering, technical, professional or specialised, vocational course after the successful completion or ten years' study in school conducted by any recognised institution and leading to a Degree/Diploma or certificate.</p> <p>(iii) to pay obligatory expenses on a scale appropriate to the status which by customary usage the subscriber has to incur in connection with marriages or other ceremonies of himself or of his children or of any other person actually dependent on him.</p> <p>Provided that the condition of actual dependence shall not apply in the case of a son or daughter of the subscriber or in the case of an advance required to meet the funeral expenses of the parent of a subscriber ;</p>





	<p>(iv) to meet the cost of legal proceedings instituted by the subscriber for vindicating his position in regard to any allegation made against him in respect of any act done or purporting to be done by him in the discharge of his official duty, the advance in this case being available in addition to any advance admissible for the same purpose from any other Bank source.</p> <p>Provided that the advance under this sub-clause shall not be admissible to a subscriber who institutes legal proceedings in any court of law either in respect of any matter unconnected with his official duty or against the Bank in respect of any condition of service or penalty imposed on him;</p> <p>(v) to meet the cost of his defense where the subscriber is prosecuted by the Bank in any court of law ;</p> <p>(vi) to meet any other expense or liability which, in the opinion of the Bank, is unforeseen and extraordinary and beyond the ordinary means of the subscriber.</p> <p>(b) An advance shall not, except for special reasons.</p> <p>(i) exceed 3 months' pay ('pay' as defined in Explanation to Regulation 6) or half the amount of the subscriber's own subscriptions to the Fund and interest thereon whichever is less; or</p> <p>(ii) be granted until the final repayment of the previous advance.</p> <p>(2)(a) An advance shall be recovered from the subscriber in such number of equal monthly installments as the Bank may direct; but such number shall not be less than 12 unless the subscriber so elects or more than 24 provided that in special cases where the amount of advance exceeds three month's pay of the subscriber as provided by clause (b) of sub-regulation (i) the Bank may fix such number of installments to be more than 24 but in no case more than 36. A subscriber may at his option repay more</p>
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	<p>than one installment in one month. Each installment shall be a number of whole rupees, the amount of the advance being raised or reduced, if necessary, to admit of the fixation of such installments.</p> <p>(b) Recoveries shall commence when the subscriber draws his pay for the full month for the first time after the advance is made. Recovery shall not be made except with the subscriber's consent, while he is on leave other than ordinary leave on full pay, or in receipt of subsistence grant.</p> <p>(c) Recoveries made under this rule shall be credited as they are made to the subscriber's Account in the Fund.</p>
	<p>11A. (1) At the discretion of the Bank and subject to such conditions and limitations as it may impose an advance may be granted to a subscriber on application, from the amount standing to his credit in the Fund, for the purpose of purchasing shares in a Co-operative Housing Society or of making any deposit or payment of money by way of earnest or otherwise, in each case solely with a view to securing a suitable house or premises for his residence or the residence of any person dependent on him.</p> <p>(2) An advance under this Regulation shall be permitted only once during the service of the employee and shall not exceed the amount of the subscriber's subscriptions to the Fund and interest thereon, or the amount actually required for the purpose for which the advance has been applied for, whichever is less.</p> <p>(3) An advance under this Regulation shall be recovered in such number of monthly installments, at such times and of such amount, as the Bank may direct, the number of installments not exceeding 120 in any case. A subscriber may at his option repay more than one installment in one month and each installment shall be a number of whole rupees.</p>



Insurance Policies, etc.	<p>12. (1) Sums to meet -</p> <ul style="list-style-type: none"><li>(a) subscriptions to a family pension fund maintained by the Bank for its employees;</li><li style="text-align: center;">or</li><li>(b) payments towards a policy of insurance on the life of the subscriber effected under a scheme of insurance maintained or approved by the Bank.</li></ul> <p>may be withheld from subscriptions to the Fund, or withdrawn from the amount subscribed thereto by the subscriber (including interest thereon). Any sum so withheld from a subscription shall be deemed to be part of the subscription for the purpose of calculating the Bank's contribution under Regulation 8.</p> <p>(2) Where sums are withheld from subscriptions to the Fund or withdrawn from the amount subscribed thereto by the subscriber under sub-regulation (1)(b), the policy of insurance in respect of which such sums are withheld or withdrawn shall be transferred to the Bank in consideration of the payment of premia on such policy and on such terms and conditions as the Bank may impose in respect of the amount, if any, recovered by the Bank from the insurer.</p>
Interest to cease on termination of service or death of subscriber	<p>13. Interest on all sums standing in the books of the Fund to the credit of a subscriber shall cease to accrue on the expiry of a period of six months from</p> <ul style="list-style-type: none"><li>(a) the day on which he leaves the service of the Bank, or</li><li>(b) if he leaves the service of the Bank on the expiry of any period of leave, commencing from or after the date on which he would have retired from the service of the Bank but for such leave, or dies during such period of leave, the day on which such period of leave commences, or</li><li>(c) if he dies before he leaves the service of the Bank otherwise than in the circumstances</li></ul>



	<p>referred to in clause (b) above, from the date of his death.</p> <p>Provided that if, in any case, before the expiry of the said period of six months.</p> <p>(i) at the request of the subscriber or any other person to whom the sums are payable under Regulation 16, the said sums are, or any portion thereof is, authorised to be disbursed; or</p> <p>(ii) in pursuance of my order of a Court or a Tribunal the said sums are, or any portion therefor is, paid to the order of such Court or Tribunal,</p> <p>interest shall cease to accrue on the said sums or, as the case may be, on such portion, from the date on which the said sums are, or any portion thereof is, authorised to be disbursed, or as the case may be, paid to the order of such Court or Tribunal.</p> <p>Provided further that even after the expiry of the period of six months referred to above, the Bank may, in its absolute discretion and without being under an obligation so to do, allow interest on sums standing in the books of the Fund to the credit of a subscriber, for a further period not exceeding one year, if the Bank is satisfied that the non-payment of such sums to the subscriber, or his nominee or nominees, or legal representatives, as the case may be, is not due to any default or lapse on the part of the subscriber, or his representatives, as the case may be.</p>
Payment of amount standing to credit of subscriber	<p>14. (1) The sum standing to the credit of a subscriber shall become payable on the termination of his service or on his death;</p> <p>Provided that a subscriber on leave preparatory to retirement may at his option withdraw from the sums standing to his credit in the Fund an amount not exceeding his own subscriptions and the interest thereon;</p> <p>Provided also that a subscriber, including any</p>



	<p>person permitted to subscribe to the Fund under sub-clause (b) of clause (iii) of Regulation 5 may, at any time after completion of 10 years service if the withdrawal is for the purpose of acquisition of a new house/new flat or 15 years service if the withdrawal is for other housing purposes specified in clause (b) of sub-regulation (2), or after completion of 20 years service, if the withdrawal is for any other purposes, and during the 10 years immediately preceding the date of his retirement or the date of expiry of his specified tenure of office, as the case may be, be permitted by the Bank at their discretion, to withdraw, for the purposes and subject to the provisions contained in sub-regulations (2), (3) and (4), from the sums standing to his credit in the Fund upto such amount as is specified in Regulation 14A.</p> <p>Provided further that there may, if the Committee of the Central Board of the Bank, or any Officer of the Bank as that Committee may specify in this behalf, so directs, be deducted there from and paid to the Bank –</p> <p>(a) any amount due under a liability incurred by the subscriber to the Bank up to the total amount contributed by the Bank to his account, including the interest credited in respect thereof.</p> <p>or</p> <p>(b) where the subscriber has been dismissed from him employment on account of misconduct or gross negligence or where the subscriber has resigned his employment under the Bank within five years of the commencement of his continuous service including temporary service, the whole or any part of the amount of such contributions together with the interest credited in respect thereof.</p> <p>(2) (a) Subject to such terms and conditions as may be imposed by the Bank, a withdrawal under the second proviso to sub-regulation (1) may be permitted for –</p>
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	<p>(i) meeting the cost of higher education, including where necessary the traveling expenses, of any child of the subscriber actually dependent on him, in the following cases, namely -</p> <p>(1) for education outside India for academic, technical, professional or vocational course, beyond the High School Stage; and</p> <p>(2) For any medical, engineering, technical, professional or specialised, vocational course after the successful completion of ten years' study in school conducted by any recognised institution and leading to a Degree/Diploma or certificate.</p> <p>(ii) meeting the expenditure in connection with the marriage of the subscriber himself or his son or daughter and if he has no daughter, of any other female relation dependent on him.</p> <p>(iii) meeting the expenses in connection with the illness, including where necessary, the traveling expenses, of the subscriber or any person actually dependent on him;</p> <p>Provided that a subscriber may, at his option, return to the Fund in lump sum the whole or any part of the sum so withdrawn by him.</p> <p>(b) Subject to the provisions of clauses (c) to (j), withdrawals under the second proviso to sub-regulation 1 may also be permitted for the following purposes namely -</p> <p>(i) purchase of a house or a site for a house;</p> <p>(ii) building a house on a plot of land belonging to the subscriber or the subscriber's spouse or both of them jointly, as the case may be, provided such spouse is a nominee under these Regulations and such nomination subsists on the date of the application for withdrawal;</p> <p>(iii) repayment of a loan taken for such purchase</p>
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	<p>or building (including such a loan accrued on the house or site purchased or house built);</p> <p>(iv) reconstructing or making additions or alterations to a house already owned or acquired by the subscriber, or an ancestral house in which the subscriber has an interest under the personal law applicable to the subscriber.</p> <p>(v) payment of stamp duty and registration charges in connection with acquisition of a house or a site.</p> <p>provided that withdrawals shall not be granted for acquisition of more than one house or site except in a case covered by sub-Regulation (5).</p> <p>(c) The house purchased or built should be for the subscriber himself and in the case of a site, it should be for building a house for the subscriber himself; the house or site shall be at the station where the subscriber is working or at the place, to be declared by him in writing, as the place where he intends to reside after retirement;</p> <p>(d) The amount permitted to be withdrawn shall not exceed the amount required for the purpose for which withdrawal is permitted; any excess of the amount withdrawn over the amount actually required shall forthwith be refunded.</p> <p>(e) The subscriber may be any time be required to satisfy the Bank, in such manner as it may specify, of any of the following matters, namely,</p> <p>(i) that the amount sought to be withdrawn or permitted to be withdrawn is actually required for the purpose for which withdrawal is sought or has been permitted, and that it has been applied to such purpose;</p> <p>(ii) that the amount sought to be withdrawn or permitted to be withdrawn, together with other funds, if any, available to the subscriber, is sufficient for the</p>
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	<p>purpose for which withdrawal is sought or has been permitted.</p> <p>(iii) that the subscriber has obtained or will obtain a good title to the site or the house, or where the construction is to be put up on a site belonging to the subscriber's spouse, or both of them jointly that the subscriber's spouse or both of them jointly has/have obtained or will obtain a good title to the site of the house and</p> <p>(iv) that the subscriber has obtained or will obtain all the permissions and approvals necessary for building the house; and the subscriber shall comply with such requirement.</p> <p>(f) where the withdrawal is for building a house, such building shall commence before the expiry of six months or such longer period, as the Bank may allow, and be completed before the expiry of eighteen months, or such longer period as the Bank may allow, from the date of the subscriber receiving the amount withdrawn or any part thereof;</p> <p>(g) Where the withdrawal is for repayment of a loan, such repayment should be made within three months from the date of the subscriber receiving the amount withdrawn or any part thereof;</p> <p>(h) Where the withdrawal is for the purpose of building a house, the amount permitted to be withdrawn may be paid out in such number of installments and at such time or times as the Bank may determine, having regard to the progress made in the building,</p> <p>(i) The subscriber shall not, without the previous written permission of the Bank, transfer, mortgage or otherwise alienate the site or house; in default, the subscriber shall be liable to refund in one installment the entire amount withdrawn.</p>
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	<p>(j) A subscriber may, at his option, return to the Fund the whole or any part of the sum withdrawn by him.</p> <p>(3) For the purpose of sub-regulation (2) the expression "Purchase of a house" shall include -</p> <p>(i) the acquisition, as a member of a Co-operative Housing Society, whether by purchase of shares in, or by depositing sums with, such Society, of residential accommodation allotted by the Society; and</p> <p>(ii) the purchase of a residential house of premises on hire-purchase basis or otherwise, from a Housing Board, City Improvement Trust or other like authority, formed or established under any</p> <p>and clauses (c), (d), (e), (i), e(ii), (i) and (j) of sub-regulation (2) shall so far as may be, apply, accordingly to withdrawals for such acquisition or purchase.</p> <p>(4) Where a withdrawal has been permitted under sub-regulation (2), read with sub-regulation (3), the following conditions shall also apply :-</p> <p>(a) The subscriber may be required to satisfy the Bank that he has obtained title to the shares in the Co-operative Housing Society concerned or has obtained the documents evidencing the deposit of sums with such society; or that he has obtained the documents evidencing his right to the residential house or premises purchased on hire purchase basis or otherwise, from a Housing Board, City Improvement Trust or other like authority, formed or established under any law for the time being in force.</p> <p>(b) The residential accommodation is obtained by the member before the expiry of six months, or such longer period as the Bank may allow, from the date of the subscriber receiving the amount withdrawn or any part thereof;</p>
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	<p>(c) The amount may be permitted to be withdrawn in such number of installments, not exceeding four, and at such time or times as the Bank may determine;</p> <p>(d) Except with the previous written permission of the Bank the subscriber shall not transfer, assign or create any encumbrance on such shares or such deposit or his interest in the residential accommodation allotted to him; in default the subscriber shall be liable to refund forthwith in one installment the entire amount withdrawn.</p> <p>(5) In the event of a subscriber transferring, assigning or creating any interest whatsoever, in the house acquired by him with the help of a withdrawal under these Regulations, the subscriber shall refund to the Bank the entire amount withdrawn by him forthwith on such transfer, assignment or creation of interest, as the case may be.</p> <p>Provided where such transfer, assignment or creation of interest is with the permission of the Bank and the subscriber has refunded to the Bank the amount withdrawn by him, he shall be eligible for a fresh withdrawal from the Fund, subject to the other provisions of these Regulations".</p>
Limits and conditions as to withdrawal	<p>14A (1) Any sum withdrawn by a subscriber at any one time for one or more of the purposes specified in clause (a) of sub-regulation (2) of Regulation 14 or sub-clause (iv) of clause (b) of that sub-regulation from the amount standing to his credit in the Fund shall not ordinarily exceed one-half of his own subscriptions and the interest thereon or six months' pay ('pay' as defined in Explanation to Regulation 6), whichever is less. The Financial Controller may, however, sanction the withdrawal of an amount in excess of this limit upto 3/4ths of his own subscriptions and the interest thereon in the Fund having due regard to (i) the object for which the withdrawal is being made (ii) the status of the subscriber and (iii) the amount of his own subscriptions and the interest thereon in the Fund.</p>



	<p>(2) Any sum withdrawn by a subscriber under clause (b) of sub-regulation (2) of Regulation 14 (except sub-clause (iv) of that clause) shall not exceed his own subscriptions and the interest thereon.</p> <p>(3) A subscriber who has been permitted to withdraw money from the Fund under sub-regulation (2) or Regulation 14 shall satisfy the Bank within a reasonable period as may be specified by the Bank that the money has been utilised for the purpose for which it was withdrawn, and if he fails to do so, the whole of the sum so withdrawn shall forthwith be repaid in one lump sum, together with interest thereon at the rate determined under Regulation 9, by the subscriber to the Fund, and in default of such payment, it shall be ordered by the Bank to be recovered from his emoluments either in a lump sum or in such number of monthly installments, as may be determined by the Bank.</p>
Conversion of advance into withdrawal	<p>14B. A subscriber who has been granted an advance under Regulation 11 or Regulation 11A for any of the purposes specified therein may be permitted by the Bank to convert the balance outstanding against such advance into a withdrawal under Regulation 14 on his satisfying the relative conditions laid down in that Regulation.</p> <p>14BB. In a case where both the husband and wife are employees of the Bank subscribing to the Fund and are each other's nominees, the aggregate of the advance and withdrawal that can be availed of by both of them for the purpose of acquiring one house in the name of either shall not exceed such amount that may be specified by the Bank from time to time as available to a single subscriber.</p> <p>14C (1) The Administrators may, subject to such conditions as they may think fit to impose, delegate any officer of the Bank as they may specify in this all or any of the powers conferred upon them by these Regulations with the exception of the powers conferred by Regulation 4 and the proviso to</p>



	<p>Regulation 5(iii).</p> <p>(2) Without prejudice to the provisions of sub-regulation (1)</p> <p>(i) The Manager may sanction -</p> <p>(a) Advance under regulation 11 or withdrawal for other than housing under second proviso to sub-regulation (1) of Regulation 14, upto six months' pay but not exceeding one-half of the subscriber's subscriptions and interest thereon.</p> <p>(b) Withdrawals under the first proviso to sub-regulation (1) of Regulation 14; and</p> <p>(c) Advance under Regulation 11A or withdrawal for second proviso to sub-regulation (1) of Regulation 14 upto the Subscriber's subscriptions and interest thereon.</p> <p>(iii) Financial Controller may sanction an advance or withdrawal stated at Regulation 14C(2)(i)(a) exceeding the limit prescribed thereunder.</p> <p>i) The expression "Manager" includes a Deputy Financial Controller and where there is no post of Deputy Financial Controller, a Joint Manager or a Deputy Manager or a Currency Officer or an Officer-in-Charge of a branch or an office.</p> <p>ii) For the purpose of this Regulation, the expression "pay" has the same meaning as in the Explanation to Regulation 6.</p>
Nominations	<p>15(i) Every subscriber shall nominate in Form A annexed to these regulations one or more members of his family to whom the amount standing to his credit in the Fund shall be payable in the event of his death.</p>



	<p>A subscriber who has no family shall nominate a person in Form B annexed to these regulations, provided that such nomination shall be valid only for so long as the subscriber has no family and that if a member subsequently acquires a family he shall formally cancel the previous nomination and nominate a member of the family in Form A.</p> <p>(ii) A subscriber may in his nomination distribute the amount that may stand to his credit in the Fund amongst his nominees at his own discretion.</p> <p>(iii) A nomination may be cancelled by a subscriber and replaced by any nomination which is permitted to be made under this regulation.</p> <p>(iv) No nomination or notice of cancellation shall be effective unless it has been received in the Central Office of the Bank or the Office or branch of the Bank where the subscriber's Provident Fund Account is maintained while the subscriber is still in the service of the Bank and has been registered in the books of the Fund.</p> <p>(v) Without prejudice to his right under sub-regulation (iii) to cancel a previous nomination, a subscriber shall along with every nomination made by him under this Regulation send to the Central Office of the Bank or the Office or branch of the Bank where the subscriber's Provident Fund Account is maintained, a contingent notice of cancellation which shall be in such one of the Forms (A1, B1) annexed to these Regulations as is appropriate in the circumstances.</p>
	<p><u>Explanation I :</u></p> <p>In this Regulation, and in Regulation 16, "family" means the wife or wives, or husband, and children or a subscriber, and the widow or widows and children of a deceased son of a subscriber ;</p> <p>Provided that if a subscriber proves that his wife</p>



	<p>has been judicially separated from him or has ceased under the customary law of the community to which she belongs to be entitled to maintenance she shall no longer be deemed to be a member of the family unless the subscriber subsequently indicates by express notification in writing to the Administrators that she shall continue to be so regarded ;</p> <p>Provided further that if a subscriber by notification in writing to the Administrators expresses her desire to exclude her husband from the family, the husband shall no longer be deemed to be a member of the family unless the subscriber subsequently cancels formally in writing her notification excluding him.</p> <p>Provided further that in case where adoption is recognised by the personal law governing the subscriber, an adopted child shall be considered as a child.</p>
	<p><u>Explanation II :</u></p> <p>For the purpose of this Regulation, "person" includes the Central Government, a State Government a local authority, a company or association or body of individuals, whether incorporated or not, or any person designated by virtue of office</p>
Nomination of Dependents in certain cases	<p>15A. Notwithstanding anything contained in Regulation 15, a subscriber may nominate any person, who is a dependent as defined in the Provident Funds Act, 1925, if the Bank is satisfied that the making or the subsistence of a nomination in accordance with that Regulation would cause undue hardship or would not be just and equitable. Such nomination shall be made in Form B2 annexed to these Regulations.</p>
Payment on Death of a subscriber	<p>16. On the death of a subscriber -</p> <p>(i) when the subscriber leaves a family -</p> <p>(a) if a nomination made by the subscriber in accordance with these Regulations in favour of a member or members of his family subsists, the amount standing to his credit in the Fund or the part</p>



	<p>thereof to which the nomination relates, shall become payable to the nominee or nominees in the proportion specified in the nomination ;</p> <p>(b) If no such nomination in favour of member or members of the family of the subscriber subsists or if such nomination relates only to a part of the amount standing to his credit in the Fund, the whole amount or the part thereof to which the nomination does not relate, as the case may be, shall notwithstanding any nomination purporting to be in favour of any person or persons other than a member or members of his family, become payable to the members of his family in equal shares;</p> <p>Provided that no share shall be payable to –</p> <ul style="list-style-type: none"><li>(i) sons who have attained legal majority;</li><li>(ii) sons of a deceased son who have attained legal majority;</li><li>(iii) married daughters whose husbands are alive;</li><li>(iv) married daughters of a deceased son who husbands are alive;</li></ul> <p>If there is any member of the family other than those specified in clauses (i), (ii), (iii) and (iv);</p> <p>Provided further that the widow or widows and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the subscriber and if, in a case where had he survived the subscriber, he would have been excluded from a share under clause (i) of the first proviso, he had not been so excluded.</p> <p>Provided further that if a nomination under Regulation 15A in favour of a dependant or dependants subsists, the amount standing to the credit of the subscriber or the part thereof to which the nomination relates shall, notwithstanding anything contained in this sub-clause, become payable to the nominee or nominees in the proportion specified in the nomination.</p>
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	<p>(ii) when the subscriber leaves no family -</p> <p>(a) if a nomination made by the subscriber in accordance with these Regulations in favour of any person or persons, who is or are a dependant or dependants of the subscriber, as defined in clause (c) of section 2 of the Provident Funds Act, 1925, subsists, the amount standing to his credit in the Fund or, as the case may be, the part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination;</p> <p>(b) if any such nomination subsists in favour of any person who is not a dependant as defined in clause (c) of Section 2 of the Provident Funds Act, 1925, the amount standing to his credit in the Fund, or as the case may be, the part thereof to which the nomination relates, shall become payable to such nominee if the amount does not exceed five thousand rupees;</p> <p>(c) if no such nomination subsists, or if such nomination relates only to a part of the amount standing to the credit of the subscriber in the Fund, the whole or, as the case may be, the part thereof to which the nomination does not relate, shall become payable to any person appearing to the Administrators to be otherwise entitled to receive it, if the whole sum, or as the case may be, the part thereof, does not exceed five thousand rupees;</p> <p>(d) any sum or any part thereof which is not payable to any person under sub-clause (a) or sub-clause (b) or sub-clause (c), shall become payable to any person on production of probate, or letters of administration evidencing the grant to him of administration to the estate of the deceased or a succession certificate in accordance with clause (c) of Section 4 of the Provident Funds Act, 1925.</p> <p>Note : When a nominee or other person is a dependant of the subscriber, as defined in clause (c) of Section 2 the Provident Funds Act, 1925, the</p>
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How to Grow Money – Part II

	<p>amount payable to such nominee or other person under these Regulations vests in the dependant under sub-section (2) of section 3 of the said Act.</p> <p>17. Every employee on becoming a subscriber to the Fund shall execute an agreement in the following form :-</p>
Agreement to be executed by subscribers	I hereby declare that I have read and understood the Regulations of the Reserve Bank of India Employee's Provident Fund and I hereby undertake to subscribe to the said Fund and I hereby agree to be bound by the said Regulations.

Signature in full \_\_\_\_\_

Date \_\_\_\_\_ Address \_\_\_\_\_

\_\_\_\_\_

Witness \_\_\_\_\_

## PART II

### TRANSITORY PROVISIONS

Definitions	<p>18. In this part -</p> <p>(i) "transferred employee" means a person transferred to the permanent service to the Bank from the service of Government or of the Imperial Bank of India;</p> <p>(ii) "former rights" means, with reference to a transferred employee, the Government or the Imperial Bank of India, as the case may be;</p> <p>(iii) "former rights" means, with reference to a transferred employee, such rights as he possessed under his conditions of service with his former employer in respect of pension, contributory provident fund, or bonus on retirement; and</p> <p>(iv) "former fund" means, with reference to a</p>
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How to Grow Money – Part II

	transferred employee, a Provident Fund maintained by his former employer to which such transferred employee has been a subscriber.
Transferred employees to make declaration regarding former rights	19. Every transferred employee shall, not later than 3 months after he receives intimation of the actuarial value of his pensionary rights, make for the purpose of these Regulations a declaration in Form C stating whether he retains or relinquishes his former rights.
Transferred employees retaining former rights	<p>20. (i) No transferred employee who has, by declaration under Regulation 19, retained his former rights shall be entitled to subscribe to the Fund under Part I of these Regulations.</p> <p>(ii) Every transferred employee who has, by declaration under Regulation 19, retained his former rights and was, immediately before his transfer, a subscriber to a former Fund shall (whether he does or does not exercise his option under Regulation 22) be subject to the rules of such former Fund which shall, for the purposes of this Regulation, be deemed to be the rules of the Fund, with the substitution for references to persons and authorities specified in the rules of the former Fund of references to such persons and authorities as the Administrators, subject to the control of the Central Board, my direct; and such employee shall, if and to the extent to which such rules so require, subscribe to the Fund :</p> <p>Provided that nothing in this sub-regulation shall operate to reduce the rate of interest payable on sums at the transferred employees' credit in the Fund below the rate which would have been payable thereon under the rules of the former Fund had he continued to subscribe thereto.</p> <p>(iii) In the case of a transferred employee subscribing to the Fund under sub-regulation (ii), all declarations, nominations and elections made, options exercised and other things done, under the rules of the former Fund shall be deemed, so far as may be, to have been made, exercised and done for the purpose</p>



	of this Regulation until varied or revoked in accordance with those rules as applied by this Regulation.
Transferred employees relinquishing former rights	<p>21. (i) Any transferred employee who has, by declaration under Regulation 19, relinquished his former rights -</p> <p>(a) If he is in superior service, or if, being in subordinate service, he is in receipt of a pay of Rs.30/- per mensem or more, shall</p> <p>(b) if being in subordinate service, he is in receipt of a pay of less than Rs.30/- per mensem, may if he so desires.</p> <p>subscribe to the Fund under Part I of these Regulations.</p> <p>(ii) Any such employee required or permitted under sub-regulation (i) to subscribe to the Fund may pay into the Fund any amount granted to him by his former employer in consideration of his service for pension under such former employer;</p> <p>Provided that the Bank shall not be required to make any contribution in respect of any amount so paid into the Fund.</p> <p>(iii) If any such employee required or permitted under sub-regulation (i) to subscribe to the Fund was, under the rules of any former Fund, enjoying privileges of the nature described in Regulation 12 in respect of any policy of life-insurance, he shall, notwithstanding anything in that Regulation, continue to enjoy such privileges in respect of such policy, but subject always to the restrictions and conditions contained in the rules of such former Fund which shall, for the purposes of that Regulation, be deemed to be part thereof and subject to the substitution for references to persons and authorities specified in the rules of the former Fund of references to such persons and authorities as the Administrators, subject to the control of the Central Board, may direct.</p>



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Option for all transferred employees	<p>Any transferred employee who subscribes to the Fund under sub-regulation (ii) of Regulation 20 or sub-regulation (i) of Regulation 21 may pay into the Fund the entire amount, but not part of the amount,</p> <p>(a) at his credit in a former Fund ; (b) paid to him as bonus in consideration of his service with his former employer ;</p> <p>Provided that the Bank shall not make any contribution in respect of any amount so paid into the Fund.</p> <p>*****</p>



Provident Fund Form 1

FORM OF AGREEMENT

Place \_\_\_\_\_

Date \_\_\_\_\_

To

THE ADMINISTRATORS OF THE  
RESERVE BANK OF INDIA  
EMPLOYEES' PROVIDENT FUND

GENTLEMEN,

I hereby declare that I have read and understood the Regulations of the Reserve Bank of India Employees' Provident Fund and I hereby subscribe and agree to be bound by the said Regulations.

Name (in full) \_\_\_\_\_

Date of birth \_\_\_\_\_

Nature of appointment \_\_\_\_\_

Salary per month \_\_\_\_\_

I am,

Yours faithfully,

\_\_\_\_\_  
(Signature)

Index No. \_\_\_\_\_

Witness :

Signature \_\_\_\_\_

Designation \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_



How to Grow Money – Part II

FORM A

Provident Fund Form 2.

(Form of nomination when subscriber has a family)

Index No. \_\_\_\_\_

NAME \_\_\_\_\_

PLACE \_\_\_\_\_

DATE \_\_\_\_\_

To

THE ADMINISTRATORS OF THE  
RESERVE BANK OF INDIA  
EMPLOYEES' PROVIDENT FUND

GENTLEMEN,

I hereby direct that the amount payable to me from Reserve Bank of India Employees' Provident Fund at the time of my death shall be distributed among the members of my family mentioned below in the manner shown against their names.

Name and address of the nominee or nominees	Relationship with the subscriber	Age of the nominee	Amount of share of accumulations
1.	2.	3.	4.

I am,  
Yours faithfully,

\_\_\_\_\_  
(Signature)

Witness :

(1) \_\_\_\_\_  
Designation \_\_\_\_\_  
Address \_\_\_\_\_

(2) \_\_\_\_\_  
Designation \_\_\_\_\_  
Address \_\_\_\_\_

Subscriber's signature verified by me

Manager  
Currency Officer

NOTE : Column 4 shall be filled in so as to cover the whole amount at credit.



FORM A A1

Provident Fund Form 2A

Contingent Notice of Cancellation

(Where nomination is in favour of one or more members of the subscriber's family)

Without prejudice to my right under sub-regulation (iii) of Regulation 15 of the Reserve Bank of India Employees' Provident Fund Regulations to cancel the nomination made by me whenever I think fit, I hereby give notice that in the event of the person

any of such persons.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_\_.

at \_\_\_\_\_

Signature of Subscriber \_\_\_\_\_

Two witnesses to Signature :

1. \_\_\_\_\_

2. \_\_\_\_\_



How to Grow Money – Part II

FORM B

Provident Fund Form 3.

(Form of nomination when subscriber has no family)

Index No. \_\_\_\_\_

NAME \_\_\_\_\_

PLACE \_\_\_\_\_

DATE \_\_\_\_\_

To

THE ADMINISTRATORS OF THE  
RESERVE BANK OF INDIA  
EMPLOYEES' PROVIDENT FUND

GENTLEMEN,

I hereby declare that I have no family and direct that the amount payable to me from Reserve Bank of India Employees' Provident Fund at the time of my death shall, in the event of my having no family, be distributed among the persons mentioned below in the manner shown against their names :

Name and address of the nominee or nominees	Relationship with the subscriber	Age of the nominee	Amount of share of accumulations
1.	2.	3.	4.

I am,  
Yours faithfully,

\_\_\_\_\_  
(Signature)

Witness :

(1) \_\_\_\_\_  
Designation \_\_\_\_\_  
Address \_\_\_\_\_

(2) \_\_\_\_\_  
Designation \_\_\_\_\_  
Address \_\_\_\_\_

Subscriber's signature verified by me

Manager  
Currency Officer

NOTE : Column 4 shall be filled in so as to cover the whole amount at credit.





FORM B1

Provident Fund Form 3A.

Contingent Notice of Cancellation

(Where nomination is in favour of one or more persons not being members of the subscriber's family)

Without prejudice to my right under sub-regulation (iii) of Regulation 15 of the Reserve Bank of India Employees' Provident Fund Regulations to cancel the nomination made by me whenever I think fit, I hereby give notice that in the event of the person

any of such persons.

nominated thereunder predeceasing me, the said nomination shall forthwith stand cancelled in so far as it relates to the rights conferred upon such person.

any of such persons.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_\_.

at \_\_\_\_\_

Signature of Subscriber \_\_\_\_\_

Two witnesses to Signature :

1. \_\_\_\_\_

2. \_\_\_\_\_



How to Grow Money – Part II

FORM B2

Provident Fund Form 3B.

(Form of nomination to be completed when subscriber has a family but wishes to nominate a dependant in terms of Regulation 15A)

Index No. \_\_\_\_\_

NAME \_\_\_\_\_

PLACE \_\_\_\_\_

DATE \_\_\_\_\_

To

THE ADMINISTRATORS OF THE  
RESERVE BANK OF INDIA  
EMPLOYEES' PROVIDENT FUND

GENTLEMEN,

I hereby direct that the amount payable to me from Reserve Bank of India Employees' Provident Fund at the time of my death shall be distributed among my dependants mentioned below in the manner shown against their names :

Name and address of the nominee or nominees	Relationship with the subscriber	Age of the nominee	Amount of share of accumulations	Reasons for nominating dependant when the subscriber has a family
1.	2.		3.	4.

I am,  
Yours faithfully,

\_\_\_\_\_  
(Signature)

Witness :

(1) \_\_\_\_\_  
Designation \_\_\_\_\_  
Address \_\_\_\_\_

(2) \_\_\_\_\_  
Designation \_\_\_\_\_  
Address \_\_\_\_\_

Subscriber's signature verified by me  
Manager  
Currency Officer

NOTE : Column 4 shall be filled in so as to cover the whole amount at credit.



How to Grow Money – Part II

FORM C

Provident Fund Form 4.

(Form of declaration as to claim to former rights)

Index No. \_\_\_\_\_

NAME \_\_\_\_\_

PLACE \_\_\_\_\_

DATE \_\_\_\_\_

To

THE ADMINISTRATORS OF THE  
RESERVE BANK OF INDIA  
EMPLOYEES' PROVIDENT FUND

GENTLEMEN,

I \_\_\_\_\_ having been permanently  
transferred to the service of the Reserve Bank from the service of  
Government of India  
Imperial Bank of India on the guarantee of my existing conditions of service  
hereby declare that I elect to :

- \* relinquish my claim under the said conditions of service in respect of :
  - pension
  - contributory provident fund
  - bonus on retirement

in consideration of my thereby becoming entitled to the benefits prescribed by  
the Reserve Bank Employees' Provident Fund Regulations and such  
compensation as may be arranged in respect of my accrued rights

- \* relinquish my claim under the said conditions of service in respect of :
  - pension
  - contributory provident fund
  - bonus on retirement

I am,  
Yours faithfully,

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Designation)

Index No. \_\_\_\_\_

Witness \_\_\_\_\_

Designation \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
\*Strike out whichever is inapplicable



How to Grow Money – Part II

Provident Fund Form 5

(form fixing rate of subscription)

PLACE \_\_\_\_\_

DATE \_\_\_\_\_

The Manager/Currency Officer  
Reserve Bank of India

\_\_\_\_\_

Sir,

I hereby direct under Regulation 6 of the Reserve Bank of India Employees' Provident Fund Regulations that \_\_\_\_\_ per cent of my pay may be deducted every month as my subscription to the Provident Fund.

I am,  
Yours faithfully,

\_\_\_\_\_  
(Signature)

Designation \_\_\_\_\_

Index No. \_\_\_\_\_



## How to Grow Money – Part II

### THE GOVERNMENT SAVINGS BANKS ACT, 1873 ACT No. 5 OF 1873<sup>1</sup>

[28th January, 1873.]

#### An Act to amend the law relating to Government Savings Banks.

**Preamble.-** WHEREAS it is expedient to amend the law relating to the payment of deposits in Government Savings Banks; It is hereby enacted as follows:-

#### *Preliminary*

**1. Short title.-** This Act may be called the Government Savings Banks Act, 1873.

**Local extent.-** It extends to <sup>2</sup>[the whole of India <sup>3</sup> \* \* \*].  
4 \* \* \* \*

<sup>5</sup>**[2. Act not to apply to deposits in Anchal Savings Bank.-** This Act shall not apply to any deposits made in the Anchal Savings Bank of the State of Travancore-Cochin, and, notwithstanding anything contained in this Act, any law in force in the said State immediately before the commencement of the Part B States (Laws) Act, 1951, (3 of 1951) relating to such deposits, shall continue to apply thereto as if that law had not been repealed.]

**3. Interpretation-clause.-** In this Act-

“depositor” means an individual by whom, or on whose behalf money has been heretofore, or shall be hereafter, deposited in a Government Savings Bank, and “deposit” means money so deposited:

<sup>6</sup>[“Secretary” means, in the case of a Post Office Savings Bank, the Postmaster-General appointed for the area in which the Savings Bank is situate], <sup>7</sup>[or if that area is in Pakistan, by the Postmaster-General for such area in India as the Central Government may by general or special order specify in this behalf]:

<sup>8</sup>[“minor” means a person who is not deemed to have attained his majority under the Indian Majority Act, 1875 (9 of 1875):]

<sup>9</sup>[“prescribed” means prescribed by rules made under this Act.]

#### *Deposits belonging to the estates of deceased persons*

<sup>10</sup>**[4. Nomination by depositor.-** (1) Notwithstanding anything contained in any law for the time being in force, or in any disposition, whether testamentary or otherwise, by a depositor in respect of his deposit, where any nomination made in the prescribed manner purports to confer on any person the right to receive the deposit on the death of the depositor, the nominee shall, on the death of the depositor become entitled, to the exclusion of all other persons, to be paid the deposit, unless the nomination is varied or cancelled in the prescribed manner.

(2) Any nomination referred to in sub-section (1) shall become void if the nominee predeceases, or where there are two or more nominees, all the nominees predecease, the depositor.

<sup>1</sup> . The Act has been extended to the Union territory of Goa, Daman and Diu vide Notification No. S.O. 2734 dated 1<sup>st</sup> September, 1962, see Gazette of India, Extraordinary, Pt. II, Sec. 3(ii), p.1991, extended to and brought into force in Dadra and Nagar Haveli by Reg. 6 of 1963, s. 2 and Sch.I (w.e.f. 1-7-1965 and to the whole of the Union Territory of Lakshadweep by Reg. 8 of 1965, s.3 and Sch. (w.e.f. 1-10-1967). The Act came into force in Pondicherry on 1-10-1963 vide Reg. 7 of 1963, s. 3 and Sch. I.

<sup>2</sup> . The Act has been extended to the State of Arunachal Pradesh by Act 44 of 1993, s. 2, Sch. Subs. by the A.O. 1950, for “all the Provinces of India” which had been subs. by the A.O. 1948, for “the whole of British India”.

<sup>3</sup> . The words “except the State of Jammu and Kashmir” which were subs. by Act 3 of 1951, for “except Part B States” omitted by Act 62 of 1956, s. 2 and Sch.

<sup>4</sup> . The commencement cl.rep.by Act 16 of 1874, s. 1 and Sch., Pt.I.

<sup>5</sup> . Ins. by Act 3 of 1951, s. 3 and Sch. The original s. 2 was rep. by Act 12 of 1873, s. 1 and Sch., Pt.II.

<sup>6</sup> . Subs. by Act 16 of 1923, s. 2, for the original definition.

<sup>7</sup> . Ins. by the A. O. 1948.

<sup>8</sup> . Subs. by Act 13 of 1916, s. 2 and Sch., for the original definition.

<sup>9</sup> . Ins. by Act 45 of 1959, s. 2.

<sup>10</sup> . Subs. by Act 45 of 1959, s. 3, for the former s. 4.



## How to Grow Money – Part II

*(Deposits belonging to the estate of deceased persons.)*

(3) Where the nominee is a minor it shall be lawful for the depositor to appoint in the prescribed manner any person to receive the deposit in the event of his death during the minority of the nominee.

**4A. Payment on death of depositor.-** (1) If a depositor dies and there is in force at the time of the death of the depositor a nomination in favour of any person, the deposit shall be paid to the nominee.

(2) Where the nominee is a minor, the deposit shall be paid-

(a) in any case where a person has been appointed to receive it under sub-section (3) of section 4, to that person; and

(b) where there is no such person, to the guardian of the minor for the use of the minor.

(3) Where a deposit is payable to two or more nominees and either or any of them is dead, the deposit shall be paid to the surviving nominee or nominees.

(4) If a depositor dies and there is no nomination in force at the time of his death and probate of his will or letters of administration of his estate or a succession certificate granted under the Indian Succession Act, 1925 (39 of 1925), is not within three months of the death of the depositor produced to the Secretary of the Government Savings Bank in which the deposit is, then-

(a) if the deposit does not exceed <sup>1</sup>[such limit as may be prescribed] the Secretary may pay the same to any person appearing to him to be entitled to receive it or to administer the estate of the deceased; and

(b) within the <sup>2</sup>[limit prescribed under clause (a)], any officer employed in the management of a Government Savings Bank who is empowered in this behalf by a general or special order of the Central Government may, to the extent to which he is empowered by such order and subject to any general or special orders of the Secretary in this behalf, pay the deposit to any person appearing to him to be entitled to receive it or to administer the estate.

(5) Nothing contained in this section shall be deemed to require any person to accept payment of a deposit, which is a time deposit, before it has become due.]

**5. Payment to be a discharge.-** <sup>3</sup>[Any payment made in accordance with the foregoing provisions of this Act] shall be a full discharge from all further liability in respect of the money so paid:

**Saving of right of executor.-** But nothing herein contained precludes any executor or administrator, or other representative of the deceased, from recovering from the person receiving the same the amount remaining in his hands after deducting the amount of all debts or other demands lawfully paid or discharged by him in due course of administration.

**Saving of right of creditor.-** And any creditor or claimant against the estate of the deceased may recover his debt or claim out of the money paid under this Act, <sup>4</sup> \* \* \* to any person, and remaining in his hand unadministered, in the same manner and to the same extent as if the latter had obtained letters of administration of the estate of the deceased.

**6. Security for due administration.-** The Secretary of any such Bank <sup>5</sup>[or any officer empowered <sup>6</sup>[under sub-section (4) of section 4A]] may take such security as he thinks necessary from any person <sup>7</sup>[to whom he pays any money under sub-section (4) of section 4A] for the due administration of the money so paid, and he may assign the said security to any person interested in such administration.

**7. Power to administer oath.-** For the purpose of ascertaining the right of the person claiming to be entitled as aforesaid, the Secretary of any such Bank <sup>7</sup>[or any officer empowered <sup>6</sup>[under sub-section (4) of section 4A]] may take evidence on oath or affirmation according to the law<sup>8</sup> for the time being relating to oaths and affirmations.

<sup>1</sup> . Subs. by Act 56 of 1985, s. 2, for "Five thousand rupees".

<sup>2</sup> . Subs. by s. 2, *ibid.*, for certain words.

<sup>3</sup> . Subs. by Act 45 of 1959, s. 4 for "Such payment".

<sup>4</sup> . Of the words "or the said Act No. 26 of 1855" the words "the said" were omitted by Act 12 of 1891, s. 2 and Sch. I, Pt. I, and the remaining words by Act 45 of 1959, s. 4.

<sup>5</sup> . Ins. by Act 16 of 1923, s. 4.

<sup>6</sup> . Subs. by Act 45 of 1959, s. 5, for "under section 4".

<sup>7</sup> . Subs. by s. 5, *ibid.*, for "to whom he pays any money under section 4".

<sup>8</sup> . See the Indian Oaths Act, 1873 (10 of 1873).



## How to Grow Money – Part II

*(Deposits belonging to the estate of deceased persons. Deposits belonging to minors.  
Deposits belonging to lunatics. Deposits made by married women. Miscellaneous.)*

**Penalty for false statements.-** Any person who, upon such oath or affirmation, makes any statement which is false, and which he either knows or believes to be false or does not believe to be true, shall be deemed guilty of an offence under section 193 of the Indian Penal Code (45 of 1860).

**8. Deposit when excluded in computing court fees.-** Where the amount of the deposit belonging to the estate of a deceased depositor does not exceed <sup>1</sup>[three thousand rupees,] such amount shall be excluded in computing the fee chargeable, under the Court-fees Act, 1870 (7 of 1870), on the probate, or letters of administration, or certificate (if any), granted in respect of his property<sup>2</sup>:

Provided that the person claiming such probate or letters or certificate shall exhibit to the Court authorised to grant the same a certificate of the amount of the deposit in any Government Savings Bank belonging to the estate of the deceased. Such certificate shall be signed by the Secretary of such Bank, and the Court shall receive it as evidence of the said amount.

**9.** *[Act not to apply to deposits belonging to estates of European Soldiers or deserters.] Rep. by the Government Savings Banks (Amendment) Act, 1959 (45 of 1959), s. 7.*

### ***Deposits belonging to minors***

**10. Payment of deposits to minor or guardian.-** Any deposit made by, or on behalf of, any minor, may be paid to him personally, if he made the deposit, or to his guardian for his use, if the deposit was made by any person other than the minor, together with the interest accrued thereon.

The receipt of any minor or guardian, for money paid to him under this section, shall be a sufficient discharge therefor.

**11.** *[Legalization of like payments heretofore made.] Rep. by the Government Savings Banks (Amendment) Act, 1959 (45 of 1959), s. 7.*

### ***Deposits belonging to lunatics***

**12. Payment of deposits belonging to lunatics.-** If any depositor becomes insane or otherwise incapable of managing his affairs,

and if such insanity or incapacity is proved to the satisfaction of the Secretary of the Bank in which his deposit may be,

such Secretary may, from time to time, make payments out of the deposit to any proper person,

and the receipt of such person, for money paid under this section, shall be a sufficient discharge therefor,

Where a committee or manager of the depositor's estate has been duly appointed, nothing in this section authorizes payments to any person other than such committee or manager.

### ***Deposits made by married women***

**13. Payment of married women's deposits.-** Any deposit made by or on behalf of a married woman, or by or on behalf of a woman who afterwards marries, may be paid to her, whether or not <sup>3</sup>[section 20 of the Indian Succession Act, 1925 (39 of 1925), applies to her marriage; and her receipt for money paid to her under this section shall be a sufficient discharge therefor.

### ***<sup>4</sup>Miscellaneous***

**14. Protection of action taken in good faith.-** No suit or other legal proceeding shall lie against the Secretary or any other officer of the Government in respect of any thing which is in good faith done or intended to be done under this Act.

**15. Power to make rules.-** (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

<sup>1</sup> . Subs. by Act 17 of 1917, s. 2, for "one thousand rupees".

<sup>2</sup> . Cf. the Savings Bank Act, 1828 (9 Geo. 4, c. 92), s. 40, now rep. by the Savings Banks Act, 1863 (26 and 27 Vict., c. 87).

<sup>3</sup> . Subs. by Act 45 of 1959, s. 8, for "the Indian Succession Act, 1865, section 4".

<sup>4</sup> . Subs. by s. 9, *ibid.*, for the heading "*Rules*", and s. 14.



## How to Grow Money – Part II

*(Miscellaneous)*

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

- (a) the persons by whom and the terms and conditions subject to which deposits may be made in a Government Savings Bank;
- (b) the maximum limits of deposits and the conditions as to interest or discount relating to deposits generally, or any class of deposits in particular;
- (c) the non-accrual of interest on deposits when the maximum limits are exceeded and the recovery of any interest paid in excess in the same manner as an arrear of land revenue or in any other manner;
- (d) the persons to whom and the manner in which deposits may be paid;
- (e) the form of nominations, the manner in which, the persons in whose favour and the conditions and restrictions subject to which, nominations may be made and the registration of nominations;
- (f) the variation or cancellation of nominations;
- (g) the fees that may be levied for registration of nominations and for variations or cancellation thereof;
- (h) the manner in which any person may be appointed for the purpose of sub-section (3) of section 4;
- <sup>1</sup>[(i) the limit under clause (a) of sub-section (4) of section 4A."].

(3) Every rule made under this section shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or <sup>2</sup>[in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid] both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of any thing previously done under that rule.]

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<sup>1</sup>. Ins. by Act 56 of 1985, s. 3.

<sup>2</sup>. Subs. by Act 20 of 1983, s. 2 and Sch. (w.e.f. 15-3-1984).





**THE GOVERNMENT SAVINGS CERTIFICATES ACT, 1959**  
**ACT No. 46 OF 1959<sup>1</sup>**

**An Act to make certain provisions in respect of Government Savings Certificates.**

[18<sup>th</sup> September, 1959.]

BE it enacted by Parliament in the Tenth Year of the Republic of India as follows:

**1. (1)** This Act may be called the Government Savings Certificates Act, 1959.

Short title, commencement and application.

(2) It shall come into force on such date<sup>2</sup> as the Central Government may, by notification in the Official Gazette, appoint.

(3) It applies to such class of savings certificates as the Central Government may, by notification<sup>3</sup> in the Official Gazette, specify in this behalf.

**2.** In this Act, unless the context otherwise requires, -

Definitions.

(a) "holder", in relation to a savings certificate, means—

(i) a person who holds the savings certificate issued in accordance with the provisions of this Act and of any rules made thereunder at any time before the date on which the Finance Bill, 2005 receives the assent of the President; and

(ii) an individual who holds the savings certificate issued in accordance with the provisions of this Act and of any rules made thereunder at any time on or after the date on which the Finance Bill, 2005 receives the assent of the President;

(aa) "minor" means a person who is not deemed to have attained his majority under the Indian Majority Act, 1875;

9 of 1875.

(b) "prescribed" means prescribed by rules made under this Act;

<sup>1</sup> . Extended to the Union Territory of Goa, Daman and Diu (w.e.f. 1-9-1962): *vide* Notification No. S.O. 2734, *see* Gazette of India, Extraordinary, Pt. II, Sec. 3(ii), p. 1991.

Extended to and brought into force in Dadra and Nagar Haveli (w.e.f. 1.7.1965) by Reg. 6 of 1963, s. 2 & Sch.

This Act came into force in Pondicherry on 1-10-1963: *vide* Reg. 7 of 1963, s. 3 and Sch. I.

<sup>2</sup> . 1st August, 1960: *vide* Notification No. G.S.R. 709, dated 25<sup>th</sup> June, 1960, Gazette of India, 1960, Pt. II Sec. 3(i), p. 968.

<sup>3</sup> . For such notification *see* Notification No. G.S.R. 710, dated 25<sup>th</sup> June, 1960, p. 968, *ibid*.



## How to Grow Money – Part II

(c) "savings certificate" means a savings certificate to which this Act applies;

(d) "transfer" means a transfer *inter vivos*, and does not include a transfer by operation of law.

3. Notwithstanding anything contained in any law for the time being in force, no transfer of a savings certificate, whether made before or after the commencement of this Act, shall be valid unless it has been made with the previous consent in writing of the prescribed authority.

Restrictions on transfer of savings certificates.

Holdings by or on behalf of minors.

4. Notwithstanding any provision in any law for the time being in force,-

(a) a minor may apply for and hold savings certificates and any other person may apply for and hold savings certificates on behalf of a minor;

(b) where any savings certificate is held by or on behalf of a minor, the minor shall, whether the savings certificate was applied for and issued before or after the commencement of this Act, be bound by the provisions of this Act and of any rules made there under applicable to such savings certificate and by the terms of any declaration made by the applicant for the savings certificate in pursuance of the said rules.

Payment where certificate is held by or on behalf of a minor.

5. Payment of the sum for the time being due on a savings certificate held by or on behalf of a minor may be made-

(a) to him personally, if he himself applied for the savings certificate, or

(b) for the use of the minor, if the application for the savings certificate was made by any person other than the minor, -

(i) to any such person, being a parent of the minor or guardian of his property, as may be specified in that behalf in the form of application;

(ii) if no such person has been specified, to any guardian of the property of the minor appointed by a competent court, or where no such guardian has been so appointed, to either parent of the minor, or where neither parent is alive, to any other guardian of the minor.

Nomination by holders of savings certificates.

6. (1) Notwithstanding anything contained in any law for the time being in force, or in any disposition, testamentary or otherwise in respect of any savings certificate, where a nomination made in the prescribed manner



purports to confer on any person the right to receive payment of the sum for the time being due on the savings certificate on the death of the holder thereof and before the maturity of the certificate, or before the certificate having reached maturity has been discharged, the nominee shall, on the death of the holder of the savings certificate, become entitled to the savings certificate and to be paid the sum due thereon to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(2) Any nomination referred to in sub-section (1) shall become void if the nominee predeceases, or where there are two or more nominees all the nominees predecease, the holder of the savings certificate making the nomination.

(3) Where the nominee is a minor, it shall be lawful for the holder of the savings certificate making the nomination to appoint in the prescribed manner any person to receive the sum due thereon in the event of his death during the minority of the nominee.

(4) A transfer of a savings certificate made in the prescribed manner shall automatically cancel a nomination previously made:

Provided that where a savings certificate 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 shall be subject to the right of the person so holding it.

7. (1) If the holder of a savings certificate dies and there is in force at the time of his death a nomination in favour of any person, payment of the sum due thereon shall be made to the nominee.

Payment on  
death of holder.

(2) Where the nominee is a minor, payment of the sum due thereon shall be made-

- (a) in any case where a person has been appointed to receive it under sub-section (3) of section 6, to that person, and
- (b) where there is no such person, to any guardian of the property of the minor appointed by a competent court, or where no such guardian has been so appointed, to either parent of the minor, or where neither parent is alive, to any other guardian of the minor.

(3) Where the sum due on a savings certificate is payable to two or more nominees, and either or any of them dies, the sum shall be paid to the surviving nominee or nominees.

(4) If a person dies and is at the time of his death the holder of a savings certificate and there is no nomination in force at the time of his death



and probate of his will or letters of administration of his estate or a succession certificate granted under the Indian Succession Act, 1925, is not within three months of the death of the holder produced to the prescribed authority, then, if the sum due on the savings certificate does not exceed<sup>1</sup> such limit as may be prescribed, the prescribed authority may pay the same to any person appearing to it to be entitled to receive the sum or to administer the estate of the deceased.

(5) Nothing contained in this section shall be deemed to require any person to receive payment of the sum due on a savings certificate before it has reached maturity or otherwise than in accordance with the terms of the savings certificate.

Payment to be a full discharge.

**8.** (1) Any payment made in accordance with the foregoing provisions of this Act to a minor or to his parent or guardian or to a nominee or to any other person shall be a full discharge from all further liability in respect of the sum so paid.

(2) Nothing in sub-section (1) shall be deemed to preclude any executor or administrator or other representative of a deceased holder of a savings certificate from recovering from the person receiving the same under section 7 the amount remaining in his hands after deducting the amount of all debts or other demands lawfully paid or discharged by him in due course of administration.

(3) Any creditor or claimant against the estate of a holder of a savings certificate may recover his debt or claim out of the sum paid under this Act to any person and remaining in his hands unadministered, in the same manner and to the same extent as if the latter had obtained letters of administration to the estate of the deceased.

Security for due administration.

**9.** The prescribed authority may take such security as it thinks necessary from any person to whom any money is paid under sub-section (4) of section 7 for the due administration of the money so paid and may assign the said security to any person interested in such administration.

Power to administer oath.

**10.** (1) For the purpose of ascertaining the right of a person claiming to be entitled to payment under sub-section (4) of section 7, the prescribed authority may take evidence on oath or affirmation according to the law for the time being in force relating to oaths and affirmations.

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<sup>1</sup> . Sub. by Act 56 of 1985, S. 3.



(2) Any person who upon such oath or affirmation makes any statement which is false and which he either knows or believes to be false or does not believe to be true shall be deemed guilty of an offence under section 193 of the Indian Penal Code.

45 of 1860

Protection of  
action taken.

**11.** No suit or other legal proceeding shall lie against any officer of the Government or any prescribed authority in respect of any thing which is in good faith done or intended to be done under this Act.

In good faith.

**12.** (1) The Central Government may, by notification in the Official Gazette, make rules<sup>1</sup> to carry out the purposes of this Act.

Power to make  
rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for-

- (a) the form of application for savings certificates and the issue and discharge of such certificates;
- (b) the maximum limits of holdings;
- (c) the conditions as to payment of interest or discount relating to any class of savings certificates and the recovery of any interest paid on any amount held in excess of the maximum limits in the same manner as an arrear of land revenue or in any other manner;
- (d) the transfer and conversion of savings certificates and the fees to be levied in respect thereof;
- (e) the replacement of savings certificates mutilated, lost or destroyed and the fees payable in respect thereof;
- (f) the form of nominations, the manner in which and the conditions subject to which nominations may be made and the registration of nominations;
- (g) the manner in which any person may be appointed for the purposes of sub-section (3) of section 6;
- (h) the variation or cancellation of nominations and the registration of such variations or cancellations;
- (i) the fees that may be levied for registration, variation or cancellation of nominations;
- <sup>3</sup> (ia) the limit under sub-section (4) of section 7;

<sup>1</sup> . For the Post Office Savings Certificates Rules, 1960, see Gazette of India, 1960, Pt. II, Sec. 3 (i), pp. 968-983.



(j) any other matter which has to be, or may be, prescribed.

(3) Every rule made under this section shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or <sup>2</sup>in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Repeal and savings.

**13.** (1) The Post Office National Savings Certificates Ordinance, 1944, is hereby repealed. 42 of 1944

(2) Notwithstanding the repeal of the said Ordinance, any rules made or deemed to have been made or anything done or any action taken in exercise of any of the powers conferred by or under the said Ordinance shall be deemed to have been made, done or taken in exercise of the powers conferred by or under this Act, as if this Act were in force on the day on which such rules were made, such thing was done or such action was taken.

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<sup>2</sup> . Sub. by Act 20 of 1983, S.2. & Sch. (w.e.f. 15-3-1984).

<sup>3</sup> . Ins. by Act 56 of 1985, S.3.



PUBLISHED IN THE GAZETTE OF INDIA : EXTRAORDINARY, PART II – Sec.3(i)]

**MINISTRY OF FINANCE**  
**(Department of Economic Affairs)**

**NOTIFICATION**  
**New Delhi, the 2<sup>nd</sup> August, 2004**

**(UPDATED ON 29<sup>TH</sup> OCTOBER, 2004)**

**GSR 490(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 **Senior Citizens Savings Scheme Rules, 2004.**
- (2) They shall come into force on the 2<sup>nd</sup> day of August, 2004.

**2. Definitions :-** In these rules, unless the context otherwise requires:-

- (a) **'Account'** means a savings account opened by the depositor in accordance with the provisions of these rules;
- (b) **'Act'** means the Government Savings Banks Act, 1873 ( 5 of 1873);
- (c) **'deposit'** means the money deposited in an account under the provisions of these rules;
- (d) **'Depositor'** means an individual -
- (i) who has attained the age of 60 years or above on the date of opening of an account under the provisions of these rules, and by whom, or on whose behalf, money is deposited in an account under these rules, or
- (ii) who has attained the age of 55 years or more but less than 60 years, and who has retired on superannuation or otherwise on the date of opening of an account under these rules, subject to the condition that the account is opened by such individual within one month of the date of receipt of the retirement benefits and proof of date of disbursement of such retirement benefit(s) alongwith a certificate from the employer indicating the fact of retirement on superannuation or otherwise, retirement benefits, employment held and period of such employment with the employer is attached with the application form in **Form-A**:

**Provided** that the persons who have retired at any time before the commencement of these rules and attained the age of 55 years or more on the date of opening of an account under these rules, shall also be eligible to subscribe under the scheme within a period of one month of the date of this notification, subject to the fulfilment of other specified conditions:

**Provided** further that the retired personnel of Defence Services (excluding Civilian Defence Employees) shall be eligible to subscribe under the scheme irrespective of the above age limits subject to the fulfilment of other specified conditions.

- (e) **"Deposit Office"** means,-



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## How to Grow Money – Part II

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- (i) any post office in India doing savings bank work and authorised by Director General Posts, to open an account under these rules, or
- (ii) an office or branch of a banking company, or any other company or institution, authorised by the Central Government to receive subscriptions under the Public Provident Fund Scheme.’.
- (f) ‘**Form**’ means a form appended to these rules.

3. **Opening of account:- (1)** Any depositor may open an account at any deposit office by making an application in **FORM -A** alongwith the amount of deposit as per the pay-in-slip in **FORM-D**, duly filled in, alongwith age proof.

- (2) A depositor may operate more than one account under these rules subject to the condition that the deposits in all accounts taken together shall not exceed the maximum limit as specified under rule 4:

Provided that more than one account shall not be opened in the same deposit office during a calendar month.

- (3) A depositor may open the account in individual capacity or jointly with spouse.

4. **Deposits and withdrawals :- (1)** There shall be only one deposit in the account in multiple of one thousand rupees not exceeding **rupees fifteen lakh**:

**Provided** that deposits by depositors under sub-rule (ii) of rule 2, shall be restricted to the retirement benefits received by them or rupees fifteen lakh, whichever is lower.

**Explanation:-** For the purposes of this sub-rule, “retirement benefits” means any payment due to the depositor on account of retirement whether on superannuation or otherwise and includes Provident Fund dues, retirement/superannuation gratuity, commuted value of pension, cash equivalent of leave, savings element of Group Savings linked Insurance Scheme payable by employer to the employee on retirement, retirement-cum-withdrawal benefit under the Employees’ Family Pension Scheme and ex-gratia payments under a voluntary retirement or a special voluntary retirement scheme.’.

- (2) Except as provided **in rule 9**, no withdrawal shall be permitted under these rules before the expiry of a period of **five years** from the date of opening of an account.

- (3) The depositor may extend the account for a further period of three years by making an application in **FORM-B** to the deposit office within a period of one year after the maturity period of five years as specified in sub-rule (2).

**Explanation.-** Extension of account under this sub-rule shall be deemed to have been made from the date of maturity irrespective of the date of application.

- (4) A deposit office shall, as soon as it comes to the notice that a deposit exceeds the ceiling prescribed under sub-rule (1), request the depositor in writing, to withdraw the excess deposit immediately.

5. **Mode of deposit :- (1)** The deposit under these rules may be made:

- (a) in cash, if the amount of deposit is less than rupees one lakh.
- (b) by cheque or demand draft drawn in favour of the depositor and endorsed in favour of the deposit office, or in favour of the deposit office.





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## How to Grow Money – Part II

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(2) Where a deposit is made by cheque or demand draft, the date of deposit under these rules shall be the date of encashment of the cheque or demand draft.

(3) Where a deposit is made by means of an outstation cheque or demand draft, collection charges at the prescribed rate shall be payable alongwith the deposit and the date of realisation of the cheque or demand draft shall be the date of deposit.

6. **Nomination:-** (1) The depositor may at the time of opening of the account under these rules, nominate a person or persons who, in the event of death of the depositor, shall be entitled to payment due on the account.

(2) If such nomination is not made at the time of opening of the account, it may be made by the depositor at any time after the opening of the account but before its closure, by an application in **FORM-C**, accompanied by the pass book to the deposit office.

(3) The nomination made by the depositor may be cancelled or varied by a fresh nomination in **FORM-C** to the deposit office in which the account stands.

(4) Nomination facility shall be available in the case of joint account also. However, in such case, the joint holder will be the first person entitled to receive the amount payable in the event of death of the depositor and the nominee's claim shall arise only after the death of both the depositor and the joint holder.

**Explanation.-** In case of joint account or where the sole nominee is the spouse, the spouse may continue the account in accordance with the proviso below sub-rule (3) of rule 8.3

(5) In case of a joint account or where the spouse is the sole nominee, the spouse shall also be eligible to make, cancel or vary the nomination made earlier, after the death of the depositor, in accordance with sub-rule (2) to (4).

(6) Every nomination and every cancellation or variation thereof shall be registered in the deposit office and shall be valid from the date of such registration, the particulars of which shall be entered in the pass book.

7. **Interest on deposit :-** (1) The deposit made under these rules shall bear interest at the rate of nine per cent per annum from the date of deposit.

(2) Interest shall be payable from the date of deposit to 31<sup>st</sup> March/30<sup>th</sup> June/30<sup>th</sup> September/31<sup>st</sup> December as the case may be, in the first instance and thereafter, interest shall be payable on 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December.

(3) In case any of the dates of interest payment, specified under sub-rule (2), fall on a Sunday or a holiday, the previous working day shall be deemed to be the due date for the purpose of interest payment.

(4) If so authorised, interest payable on the due dates as specified in sub rule (2), shall be credited to the depositor's savings account in the deposit office in which the account exists subject to the condition that by so credit of the interest amount, the maximum limit of balance, if any, in the savings account, is not exceeded.

(5) If the interest payable every quarter is not claimed by a depositor, such interest will not earn additional interest.

(6) Interest shall be rounded off to the nearest multiple of rupee one and for this purpose any amount of fifty paise or more shall be treated as rupee one and any amount less than fifty paise shall be ignored.



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## How to Grow Money – Part II

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(7) The excess amount referred to in sub-rule (4) of rule 4, shall carry interest at the rate applicable from time to time to the Post Office Savings Account and such interest shall be payable from the date of deposit of excess amount to the end of the month preceding the month in which the deposit office requests the depositor to withdraw the excess amount; the amount of excess interest, if any, already paid to the depositor, shall be deducted.

(8) In case of an account, continued after maturity under sub-rule (3) of rule 4, the deposit in such account shall earn interest at the rate applicable to the new accounts opened or to be opened under the provisions of these rules on the date of maturity.

(9) In case of an account which is not extended on maturity and closed at any time as per provisions of sub-rule (2) of rule 8, **post maturity interest** at the rate, as applicable to the deposits under the Post Office Savings Account from time to time, shall be payable on such matured deposits, upto the end of the month preceding the month of closure of the account.

8. **Closure of account:-** (1) The deposit made at the time of opening of account shall be paid by the deposit office at which the account stands to the depositor on or after expiry of **five years** from the date of the opening of the account on production of the pass book accompanied by a written application (withdrawal form) in **FORM-E**.

(2) In case the depositor does not close the account on maturity as specified under sub-rule (1), and also does not extend the account under sub-rule (3) of rule 4, the account shall be treated as matured and the depositor will be entitled to close the account at any time subject to the condition that **post maturity interest** as prescribed under sub-rule (9) of rule 7, shall only be admissible for the period beyond maturity.

(3) In case of death of a depositor before maturity, the account shall be closed and deposit refunded on an application in **FORM-F**, along with interest till the end of the month preceding the month in which refund is made, to the nominee or legal heirs in case the nominee has also expired or nomination, as provided in rule 6, was not made, as the case may be:

**Provided** that in case of a joint account, or where the spouse is the sole nominee, the spouse may continue the account on the same terms and conditions as specified under these rules:

**Provided** further that in case the spouse does not continue the joint account, the account shall be closed on an application in **FORM-F** and the deposit refunded along with interest as above.

**Provided** also that where both the spouses have opened separate accounts under the scheme, and either of the spouses dies during the currency of the account(s) under the scheme, the account(s) standing in the name of the deceased depositor/spouse shall not be continued in accordance with the first proviso and such accounts shall be closed.



**Correction in 8(3):** In case of death of a depositor before maturity, the account shall be closed and deposit refunded on an application in Form 'F' along with interest applicable to the scheme till the date of death on which the depositor expired, to the nominee or legal heir in case the nominee has also expired or nomination as provided in rule 6 was not made, as the case may be. For the period between the day following the date of death of the depositor and the date on which refund is made, simple interest shall be paid at the rate applicable from time to time to savings accounts as provided in Rule 6 of Post Office Savings Accounts Rule 1981.

(4) Where there is no nomination in force at the time of death of the depositor, the amount standing to the credit of the deceased depositor shall be paid by the deposit office to the legal heirs of the deceased depositor on receipt of an application in FORM-F along with a certificate of death of the depositor and a succession certificate or Letter of Administration with attested copy of probated will of the deceased depositor issued under the provisions of the Indian Succession Act, 1925 (39 of 1925). Provided that the total amount including interest, payable upto rupees one lakh may be paid to the legal heirs on production of (i) a letter of indemnity, (ii) an affidavit, (iii) a letter of disclaimer on affidavit, and (iv) a certificate of death of the depositor on stamped paper, in the forms as in Annexures to Form-F.

(5) No deduction, as specified under rule 9, shall be made in case of premature closure of an account at any time due to death of a depositor.



**9. Premature closure of account:-** (1) Notwithstanding anything contained in sub-rule (2) of rule 4, on an application in **FORM-E**, in this regard, the depositor may be permitted to withdraw the deposit and close the account at any time after the expiry of one year from the date of opening of the account subject to the following conditions, namely:-

(a) In case the account is closed after the expiry of one year but before the expiry of two years from the date of opening of the account, an amount equal to one and a half per cent of the deposit shall be deducted and the balance paid to the depositor.

(b) In case the account is closed on or after the expiry of two years from the date of opening of the account, an amount equal to one per cent of the deposit shall be deducted and the balance paid to the depositor.

(2) The depositor availing the facility of extension of account under sub-rule (3) of rule 4, may be permitted to withdraw the deposit and close the account at any time after the expiry of one year from the date of extension of the account without any deduction.

**10. Pass Book:-** (1) On opening of an account, the depositor shall be given a pass book immediately, alongwith the depositor's copy of the pay-in-slip (**Form-D**) duly stamped and signed by the deposit office in token of having received the amount of deposit. The pass book shall bear the date of opening of account, the number of the account, the depositor's name, photograph(also name and photograph of the spouse in case of joint account) and address, the amount deposited, the quarterly interest payable alongwith due dates of payment, the date on which the deposit will be due for final payment, the name(s) of the nominee(s) and agent's name, agency code number, date and validity, in case the account has been introduced through an agent:

**Provided** that if the deposit is made by means of a cheque or a demand draft, the pass book shall be given to the depositor only on the date of deposit after encashment of the cheque or demand draft as provided under sub-rule (2) of rule 5.

(2) The depositor availing of the facility of credit of interest in savings account under sub-rule (4) of rule 7, shall present the pass book to the deposit office at least once in a year for completion of entries.

(3) The depositor not availing of the facility of credit of interest in savings account under sub-rule 4 of rule 7, shall present the pass book to the deposit office at the time of collecting interest every quarter.

(4) In case of original pass book being lost, or mutilated or damaged, a duplicate pass book may be issued on payment of a fee of rupees ten in case of issue of first duplicate pass book and rupees twenty in case of any subsequent issue, on a simple application on plain paper. The issue of duplicate pass book(s) shall be noted by the deposit office in its office records including the ledger folio bearing particulars of the account.

(5) In case the lost pass book is found after issue of a duplicate pass book, it shall not be treated as valid for any purpose and shall be surrendered immediately to the deposit office who shall destroy the same immediately in presence of the depositor.

**11. Transfer of account from one deposit office to another:-** A depositor may apply on **FORM-G**, enclosing the pass book thereto, for transfer of his account from one deposit office to another in case of change of residence:

**Provided** that where the deposit is rupees one lakh or above, a transfer fee of rupees five per lakh of deposit shall be payable.



12. **Account opened in contravention of rules:-** Whenever it comes to notice that an account has been opened in contravention of these rules, the account shall be closed immediately and the deposit in the account, after deduction of the interest, if any, paid on such deposit, shall be refunded to the depositor.

**13. Deposits by Non-Resident Indians(NRIs) and Hindu Undivided Families (HUF):-**

**(1)** The Non Resident Indians are not eligible to open an account under these rules:

**Provided** that if a depositor who subsequently becomes a Non-Resident Indian during the currency of the account under these rules, the account may continue till its maturity on a non-repatriation basis and the account shall be marked as a Non-Resident account:

**Provided** further that the account continued under the above proviso, shall not be extended for any further period as provided under sub-rule (3) of rule 4.

**(2)** Hindu Undivided Family is also not eligible to open an account under these rules.

14. **Power to relax:-** Where the Central Government is satisfied that the operation of any of the provisions of 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 of the Act.

**[F.No.2-8/2004-NS-II]**

sd/- .

**(D. SWARUP)**  
**Secretary to Government of India**



How to Grow Money – Part II

## FORM-A

(See clause (d) of rule 2 and sub rule (1) of rule 3)

Serial No.....

### APPLICATION FOR OPENING OF AN ACCOUNT UNDER SENIOR CITIZENS SAVINGS SCHEME, 2004

TO

**The Postmaster/Incharge**

.....(name of the Deposit office)

.....

.....

Paste here a copy of

recent

photograph.

(Joint Photograph of both the  
Depositor & Spouse in case of a  
joint account)

**\*Name of Agent** (in case of the account introduced through agent).....

Agency Code No.....Dated.....valid upto.....

**PAN No. (of applicant)**.....\*\*.

Sir,

1. I, ....., son/daughter/wife of....., a permanent resident of....., aged.....years, hereby apply for opening of an account under the Senior Citizens Savings Scheme, 2004, (hereinafter referred to as the said scheme), in my name / jointly in my name and my spouse.....(name and address of spouse with age)\* and tender herewith Rs..... (Rupees.....) in cash / cheque / demand draft, the particulars of which are filled in the enclosed 'pay-in-slip' (**Form-D**), towards deposit in the account.

2. **I/we\* hereby declare that,-**

- (i) I/we\* have clearly understood the Senior Citizens Savings Scheme Rules, 2004 governing the accounts under the said scheme, as amended from time to time(hereinafter referred to as the said rules);
- (ii) I/we\* shall abide by the said rules in letter and spirit;
- (iii) the details of other accounts opened earlier by me/us\* under the said scheme, are as under:-

Sl. No.	Name of depositor(s) & Type of account (Individual/Joint)	Name and Address of the Deposit office	Account No. with date of opening	Amount of Deposit
1				
2				
3				

(iv) I/we\* shall adhere to the ceiling on deposits, taking the deposits in all the accounts opened by me/us\* together, as specified in rule 4 and amended from time to time. In case, at any time, any excess deposit is found, such excess deposit will be refunded to me/us\* after recovery of excess interest under sub-rule (8) of rule 7.



## How to Grow Money – Part II

3. I nominate the following person / persons, mentioned below, to whom, to the exclusion of all other persons, in the event of my death the amount standing to my credit in the account would be payable in accordance with the provisions contained in rule 6:

**TABLE**

Sl. No.	Name(s) of the nominee(s) along with relationship with the depositor	Permanent Address	Date(s) of birth of nominee(s) in case of a minor/ age in other case(s)	Share of the nominee(s) in the amount payable.
(1)	(2)	(3)	(4)	(5)

Photograph(s) of the nominee(s)	Signature/thumb impression of the nominee(s)
(6)	(7)".

**3(a)** As the nominee(s) at Serial No.(s).....above is/are minor(s), I appoint Shri/Smt./Kumari.....[name(s) with permanent address(es) of the person(s) in respect of each minor nominee] to receive the sum due under the said account in the event of my death during the minority of the nominee(s).

**Signature/Thumb impression of the depositor**

**Witnesses(Signature, name and address):**

1.....

2..... Date.....At (Place).....

My/our \* specimen signatures (thumb impression), are as below:-

(i) First depositor:-

1.

2.

3.

(ii) \* Joint depositor:-

1.

2.

3.

#Witness..... #Witness..... #Witness.....

(Countersigned Postmaster/Incharge) (Countersigned Postmaster/Incharge) (Countersigned Postmaster/Incharge)  
Date.....& office Seal Date.....& office Seal Date.....& office Seal

4. I also declare that the information provided by me / us\* in the application hereinabove, is true to the best of my/our knowledge and belief and in case, at any time, any of the information and/or declaration is found false, no interest on the deposits shall be payable to me/us\*, the deposit office shall close the account(s) and refund the deposits after recovery of the interest, if any, already paid on the deposits.



**How to Grow Money – Part II**

**Yours faithfully,**

**(Signature of the applicant)**

**Date.....**

**Place.....**

**(Present Postal Address)**

**Enclosures:**

1. Age proof.
2. Copy of receipted application form for allotment of PAN, if PAN is not allotted.
3. Pay-in-Slip (Form-D), duly filled in alongwith amount of deposit.
4. Certificate from the employer as specified in sub-clause (ii) of clause (d) of rule 2.

**\*: Score out whichever is not applicable.**

**\*\*:** (1) The applicant(s) who are not assessed to income tax, may furnish a self declaration, that their income from all sources (including the interest income from the account to be opened vide this application) does not cross the exemption limit and the applicant is not required to obtain PAN under Income Tax Act, 1961, as amended from time to time.

(2) All other applicants shall mention the PAN No. compulsorily and in case they have not so far been allotted PAN by the Income Tax Authorities, attested photocopy of the receipted application form for allotment of PAN should be attached to the application form.

**#:** in case of thumb impression.

**NOTE:** (1) Self attested copies of any of the following documents can be enclosed as age proof:- Birth Certificate issued by the Municipal authority/ Gram Panchayat/District Office of the Registrar of Births and Deaths; Voter Identity Card issued by the Election Commission of India; PAN Card; Passport; Ration Card; Date of birth certificate from the school last attended by the applicant or any other recognised educational institution or Driving Licence issued by the local licensing authority.

(2) Originals of the documents attached, should also be produced simultaneously for verification and return immediately.

**FOR THE USE OF DEPOSIT OFFICE**

The account has been opened on.....with Rs.....(Rupees.....  
.....) under the Senior Citizens Savings Scheme, 2004.

Account No.....Ledger folio No.....

Agent's name, agency code number, date and validity have been entered in the ledger folio as well as Pass book(in case of account introduced through agent).

Pass Book No.....has been issued.

Date.....

Signature of the Incharge of Deposit Office  
(alongwith name and designation stamp)





**How to Grow Money – Part II**

**FORM-B**

(See sub-rule (3) of rule 4)

Serial No.....

**APPLICATION FOR EXTENSION OF AN ACCOUNT UNDER  
SENIOR CITIZENS SAVINGS SCHEME, 2004**

TO

**The Postmaster/Incharge,**

.....(name of the Deposit office)

.....

.....

**Subject:** Application for extension of an account for three years, with effect from.....(date/month/year).

Sir,

1. I, ....., son/daughter/wife of....., a depositor of account No. ...., (hereinafter referred to as the 'said account') hereby apply for continuation of the account under the Senior Citizens Savings Scheme, 2004 (hereinafter referred to as 'the said scheme'), for a further period of three years from the date of maturity of my above-said account.

2. I have understood the terms and conditions applicable to the account during the period of extension under the Senior Citizens Savings Scheme Rules, 2004 as amended from time to time.

3. I shall close the account immediately on completion of the extended period and get back the deposit standing at my credit in the account after adjustment of the interest paid in excess, if any, and any other charges recoverable in connection with the said account.

Date.....

Signature of the Depositor

Place.....

( name and address)

**FOR THE USE OF DEPOSIT OFFICE**

The account No..... which was opened on.....with Rs..... (Rupees.....) under the Senior Citizens Savings Scheme, 2004 and matured on....., has been extended for a period of three years with effect from..... to..... Rate of interest at..... per cent per annum as applicable under the scheme to fresh deposits opened or to be opened on the date of maturity, shall be applicable during the extended period of the deposit.

Necessary entries have been made in the Pass Book No..... and relevant Ledger folio No..... accordingly.

Date.....

Signature of the Incharge of Deposit Office  
(along with name and designation stamp)



How to Grow Money – Part II

FORM-C

(See rule 6)

Serial No.....

APPLICATION FOR NOMINATION/CHANGE/CANCELLATION OF NOMINATION UNDER SENIOR CITIZENS SAVINGS SCHEME, 2004

TO

The Postmaster/Incharge,

.....(name of the Deposit office)

.....

.....

Subject: Application for Nomination or Change/Cancellation of Nomination.

Sir,

1.\* I,.....hereby nominate the following person / persons, mentioned below, to whom, to the exclusion of all other persons, in the event of my death the amount standing to my credit in the account No.....would be payable in accordance with the provisions contained in rule 6 of Senior Citizens Savings Scheme Rules, 2004.

TABLE

Sl. No.	Name(s) of the nominee(s) along with relationship with the depositor	Permanent Address	Date(s) of birth of nominee(s) in case of a minor/ age in other case(s)	Share of the nominee(s) in the amount payable.
(1)	(2)	(3)	(4)	(5)

Photograph(s) of the nominee(s)	Signature/thumb impression of the nominee(s)
(6)	(7)".

2.\* As the nominee(s) at Serial No.(s).....above is/are minor(s), I appoint Shri/Smt./Kumari.....[name(s) in full with complete address(es) of the person(s) in respect of each minor nominee] to receive the sum due under the said account in the event of my death during the minority of the nominee(s).

3.\* This is in supercession of the nomination(s), made by me earlier at the time of opening of account/vide my application dated.....

4.\* I,....., hereby request to cancel the nomination made by me earlier vide my application dated.....

Witnesses(Signature, name and address):

1.....

2.....

Signature of the depositor

(Name and address)



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Date.....At (Place).....

**\*Score out whichever is not applicable.**

---

**FOR THE USE OF DEPOSIT OFFICE**

The above nomination has been registered on..... AND/OR the earlier nomination dated.....has been changed/cancelled.

Necessary entries have been made in the Pass Book (No.....) and relevant Ledger folio No..... accordingly.

Date.....

Signature of the Incharge of Deposit Office  
(alongwith name and designation stamp)



## How to Grow Money – Part II

### FORM-D

(See sub-rule (1) of rule 3 and rule 10)

Serial No.....

#### PAY – IN – SLIP FOR DEPOSITS UNDER SENIOR CITIZENS SAVINGS SCHEME, 2004

Counterfoil (1)		Counterfoil (2)	
<b>Depositor's copy</b>		<b>Deposit Office's copy</b>	
Name of Deposit Office		Name of Deposit Office	
Name of depositor.....		Name of depositor.....	
Address:		Address:	
Father's/Husband's name:		Father's / Husband's Name:	
*Name of Agent (in case of account introduced through agent) with agency code No., date and validity.....		*Name of Agent (in case of account introduced through agent) with agency code No., date and validity.....	
Account No..... Date..... (to be filled in by deposit office)		Account No..... Date..... (to be filled in by deposit office)	
Ledger Folio.....(to be filled by deposit office)		Ledger Folio.....(to be filled by deposit office)	
Amount of Deposit (Rs.)#		Amount of Deposit (Rs.)#	
Cheque/Demand Draft realisation charges (Rs.)##		Cheque/Demand Draft realisation charges (Rs.)##	
Account Transfer Fee (Rs.)##		Account Transfer Fee (Rs.)##	
Fee for issue of Duplicate Pass Book (Rs.)##		Fee for issue of Duplicate Pass Book (Rs.)##	
Other charges, if any. (Rs.)##		Other charges, if any. (Rs.)##	
TOTAL AMOUNT (Rs.)		TOTAL AMOUNT (Rs.)	
Total Amount in words (Rupees..... .....)		Total Amount in words (Rupees..... .....)	
Details of CASH DEPOSIT:	<b>AMOUNT</b>	Details of CASH DEPOSIT:	<b>AMOUNT</b>
1000 x		1000 x	
500 x		500 x	
100 x		100 x	
50 x		50 x	
20 x		20 x	
10 x		10 x	
05 x		05 x	
02 x		02 x	
01 x		01 x	
COINS		COINS	
TOTAL (CASH):		TOTAL (CASH):	
Cheque /Demand Draft No. and date:		Cheque /Demand Draft No. and date:	
Bank / Branch on which drawn:		Bank / Branch on which drawn:	
AMOUNT (RUPEES) :		AMOUNT (RUPEES) :	
By (Depositor's signature)		By (Depositor's signature)	



## How to Grow Money – Part II

( P. T. O.)	( P. T. O)
<u>Continued from prepage.....</u>	<u>Continued from prepage.....</u>
<b><u>TO BE COMPLETED BY DEPOSIT OFFICE</u></b>	<b><u>TO BE COMPLETED BY DEPOSIT OFFICE</u></b>
Head of Government Account(to be entered by Deposit Office)# / ##.....	Head of Government Account(to be entered by Depos Office)# / ##.....
<b>Received Rs..... (Rupees.....)</b> <b>as detailed hereinabove. For deposit in Account No.....</b> *Agent's Commission at the rate of.....per cent of deposit amounting to Rs..... (Rupees.....)### has been paid at source (under receipt).  Cashier's scroll No..... <div style="text-align: right;">Signature of Cashier (with name and office seal)</div>  <div style="text-align: right;">Supervisor/Incharge of Deposit office alongwith office seal</div>	<b>Received Rs..... (Rupees.....)</b> <b>as detailed hereinabove. For deposit in Accoun No.....</b> *Agent's Commission at the rate of.....per cent of deposit amounting to Rs..... (Rupees ..... )### has been paid at source (under receipt).  Cashier's scroll No..... <div style="text-align: right;">Signature of Cashie (with name and office sea</div>  <div style="text-align: right;">Supervisor/Incharg of Deposit office alongwith office se:</div>
<p><b>NOTE:</b> 1. The cheque/demand draft should be in favour of the Deposit Office, or in favour of the depositor duly endorsed in favour of the deposit office.</p> <p>2. Cheques / Demand Drafts are subject to realisation of the proceeds.</p> <p><b>* Score out if not applicable</b></p> <p><b>#: In respect of Deposits:-Major Head:8001-National Savings Deposits.</b></p> <p><b>##: In respect of various charges:-Major Head: 8008-Income and Expenditure of NSSF.00.104.Other Incomes.</b></p> <p><b>###:In respect of agency commission to agents: Major Head: 8008- Income and Expenditure of .....</b></p>	<p><b>NOTE:</b> 1. The cheque/demand draft should be in favour c the Deposit Office, or in favour of the depositor duly endorsed in favour of the deposit office.</p> <p>2. Cheques / Demand Drafts are subject to realisation o the proceeds.</p> <p><b>* Score out if not applicable</b></p> <p><b>#: In respect of Deposits:-Major Head:8001-Nation Savings Deposits.</b></p> <p><b>##: In respect of various charges:-Major Head 8008-Income and Expenditure of NSSF.00.104.Othe Incomes.</b></p> <p><b>###:In respect of agency commission to agents: Major Head: 8008- Income and Expenditure of .....</b></p>



How to Grow Money – Part II

FORM – E

(See sub rule (1) of rule 8 and rule 9)

Serial No.....

APPLICATION FOR CLOSURE OF AN ACCOUNT UNDER SENIOR CITIZENS SAVINGS SCHEME, 2004

TO

The Postmaster/Incharge,

.....(name of the Deposit office)

.....

**Subject:** Application for withdrawal/closure of account.

Sir,

1. I,.....,son/daughter/wife of..... resident of ..... and depositor of account No. .... (hereinafter referred to as the 'said account') hereby apply for closure of the said account with immediate effect. The interest of Rs..... and deposit of Rs.....TOTAL(INTEREST+DEPOSIT) Rs..... (Rupees.....), \*after adjustment of overpaid interest and/or deduction equal to .....per cent of the deposit, amounting to Rs..... (Rupees.....) and any other charges, recoverable from me in respect of the account in question, may kindly be refunded to me immediately.

2. The Pass Book is enclosed.

Signature or thumb impression of the Depositor

-----

**FOR USE BY THE DEPOSIT OFFICE**

ACCOUNT No.....DATE OF DEPOSIT.....AMOUNT OF DEPOSIT: Rs.....

Withdrawal on account of Interest Rs..... and deposit Rs..... totalling to Rs..... (Rupees.....) is sanctioned in favour of the depositor.

\*Recovery of overpaid interest Rs....., deduction of Rs..... and Other Charges (to be specified) Rs..... totalling to Rs..... (Rupees.....) has been adjusted.

**NET AMOUNT PAID Rs..... (Rupees.....)**

**RECEIPT**

Received a sum of Rs..... (Rupees.....) from.....(Name of Deposit office) as per details furnished above.

Signature / Thumb impression of the depositor

Signature of in-charge of Deposit Office  
(Alongwith name and designation stamp)

\*: Score out whichever is not applicable.



## FORM – F

(See sub-rules (3) and (4) of rule 8)

Serial No.....

### APPLICATION FOR CLOSURE OF ACCOUNT UNDER SENIOR CITIZENS SAVINGS SCHEME, 2004 BY SPOUSE(JOINT HOLDER) / NOMINEE(S)/LEGAL HEIRS

TO

**The Postmaster/Incharge,**

.....(name of the Deposit office)

.....

**Subject:** Application for withdrawal /closure of account.

Sir,

I/WE\* ..... the spouse (Joint holder) / nominee(s) /legal heirs of late....., the depositor to the Senior Citizens Savings Scheme, 2004 account No..... wish to withdraw the entire amount standing to the credit of the deceased in the said account.

Please find enclosed: -

- (i) A certificate in regard to the death of the Depositor.
- (ii)\*A Certificate in regard to the death of Shri/ Shrimati.....and Shri/Shrimati..... also the nominee(s) appointed by the Depositor.
- (iii)\*\* Succession Certificate/Letter of Administration with attested copy of probated will of the deceased depositor issued under the provisions of the Indian Succession Act, 1925.
- (iv) Pass Book of the Depositor.
- (v)# Letter of Indemnity.
- (vi)# Affidavit.
- (vii)# Letter of disclaimer on affidavit

Signature or thumb impression of claimant(s)

**Witness**.....

.....(Signature, name and address).....

Date.....

Place.....

### **FOR USE BY THE DEPOSIT OFFICE**

Withdrawal of Rs..... (Rupees.....)  
is sanctioned.

**Adjustments made (to be specified)** **Rs.**.....  
(Rupees.....)

**NET** **AMOUNT** **PAYABLE** **Rs.**.....  
(Rupees.....)



How to Grow Money – Part II

**RECEIPT TO BE SIGNED BY THE CLAIMANT(S)**

Received a sum of Rs..... (Rupees.....)  
from..... (Name of Deposit office) as per details furnished above, in full  
settlement of our claim.

Signature / Thumb impression of the claimant(s)

Signature of in-charge of Deposit Office  
(Alongwith name and designation stamp)

**\*: Delete whichever is not applicable.**

**\*\* : Strike off if there is a valid nomination.**

**#: To be produced by legal heirs, in the absence of nomination(s) for claims upto Rs. 1 lakh.**





How to Grow Money – Part II

**ANNEXURE-I TO FORM - F**

(Letter of indemnity)

TO

The Postmaster / Incharge,  
..... (Name of the deposit office)

In consideration of your payment or agreeing to pay me /  
us.....

.....  
[Name(s) of Legal heir(s)] the sum of Rs..... (Rupees.....  
.....) standing in the account No.....under **SENIOR  
CITIZENS SAVINGS SCHEME, 2004** with your office in the name of .....  
.....without production of letters of administration or a succession certificate to the  
estate of the deceased.....(name of the depositor),  
I/We..... and  
we..... (sureties) do hereby for ourselves and our  
heirs, legal representatives, executors and administrators jointly and severally undertake and agree to indemnify  
you and your successors and assigns against all claims, demands, proceedings, losses, damages, charges and  
expenses which may be raised against or incurred by you by reason or in consequence of having agreed to  
pay/or paying me/us the sum as aforesaid.

In witness whereof we have hereunto set my/our hands at this.....day of.....in  
the presence of witnesses,

Signed and delivered by the above named  
heir/heirs of the deceased.

Signed and delivered by the  
above named sureties (Signature, names and address)

1.

2.

Signature, names and address of witnesses:

1.

2.

ATTESTED

NOTARY PUBLIC



**How to Grow Money – Part II**

**ANNEXURE-II TO FORM - F**

(Affidavit)

TO

The Postmaster / Incharge,  
.....(Name of the deposit office)

I / We.....Husband of / wife of late.....  
aged..... aged..... aged..... sons/daughters of the said late.....  
resident of.....do hereby declare and solemnly affirm as under :-

- (1) That I / we am/are the only heir(s) of the deceased.....who died at.....  
on..... I / We alone represent the estate of Shri/Smt.....
- (2) That the deceased.....did not leave any will and therefore I / we are the only successor(s) to  
the estate of the said deceased.

1.

2.

3.

DEPONENTS

**VERIFICATION:** I / We, the above-named deponents do hereby verify on solemn affirmation in.....  
(name of place) that the contents of this affidavit are true to the best of my/our knowledge and nothing material has been  
concealed.

Dated.....

1.

2.

3.

DEPONENTS

ATTESTED

OATH COMMISSIONER



**How to Grow Money – Part II**

**ANNEXURE-III TO FORM - F**

(Letter of disclaimer on Affidavit)

TO

The Postmaster / Incharge,  
.....(Name of the deposit office)

I / We (i) .....Husband of / wife of .....  
Resident of.....  
(ii) ..... son/daughter of .....  
(iii) .....son/daughter of .....

do hereby declare and solemnly affirm as follows :-

(1) That Shri/Smt.....died intestate on.....  
leaving behind us.....his/her only heirs.

(2) That we.....heirs of our late father/mother for  
ourselves and on behalf of our heirs, executors, representatives and assigns to hereby relinquish our claims to the balance  
of Rs.....which may be credited to the account sought by our mother/father to be  
opened in the deposit office in the name of the estate of the said.....  
deceased father/mother after the realisation of Draft No.....on .....  
issued by ..... (name of the deposit office) and we  
have no objection whatsoever in the balance in the above-referred account No.....together with  
interest, if any, accrued thereon being paid by the Deposit office to our mother/father  
Mrs./Mr.....

- 1.
- 2.
- 3.

**DEPONENTS**

**VERIFICATION:** I / We, the above-named deponents do hereby verify on solemn affirmation that the contents of this affidavit are true to the best of my/our knowledge and nothing material has been concealed.

Dated.....

- 1.
- 2.
- 3.

**DEPONENTS**

I identify the deponent(s) who is/are personally known to me  
and who has/have signed in my presence.

Dated.....

**Oath Commissioner**



How to Grow Money – Part II

FORM – G

(See rule 11)

Serial No.....

APPLICATION FOR TRANSFER OF ACCOUNT UNDER SENIOR CITIZENS SAVINGS SCHEME, 2004

TO

The Postmaster/Incharge,

.....(name of the Deposit office)

.....

**Subject:** Application for Transfer of account to another Deposit office.

Sir,

1. I, ....., son/daughter/wife of .....,  
Resident of ..... a  
depositor of account No. .... hereby apply for TRANSFER OF MY ACCOUNT No.....with a  
deposit, of Rs.....(Rupees.....) under the Senior Citizens  
Savings Scheme, 2004 to.....  
.....(Name and full address of the transferee deposit office)

2. The Pass Book is enclosed.

Signature or thumb impression of the Depositor

**Witness**.....\*

.....(signature, name and address).....

My specimen signature/thumb impressions, as available in the record of transferer deposit office, are as below:-

(i) Ist Depositor:-

1.

2.

3.

\*Witness.....

\*Witness.....

\*Witness.....

(i) Joint Depositor:-

1.

2.

3.

Countersigned Postmaster/Incharge  
(Countersigned Postmaster/Incharge  
of Transferer office)

Date.....& office Seal

Countersigned Postmaster/Incharge  
(Countersigned Postmaster/Incharge  
of Transferer office)

Date.....& office Seal

Countersigned Postmaster/Incharge  
(Countersigned Postmaster/Incharge  
of Transferer office)

Date.....& office Seal

**Forwarded to:**.....(Transferee Deposit office) and necessary entries passed  
in the office record(s).

Signature & office seal (Transferer Deposit office)

Date.....

**FOR USE BY THE TRANSFEREE DEPOSIT OFFICE**

A. Received application for transfer of account No.....opened on.....  
under SENIOR CITIZENS SAVINGS SCHEME, 2004, in the name of .....  
&.....(joint holder, if any) standing on the books of the.....  
.....(name and address of the transferer deposit office) showing a  
deposit of Rs.....(Rupees.....), due to mature on.....



## How to Grow Money – Part II

B. The entries in the pass book have been checked, necessary entries indicating transfer, have been made and pass book has been returned to the depositor.

Pass Book received in Original.

Signature of Postmaster / In-charge  
(with office seal) Transferee Deposit Office.

\_\_\_\_\_  
#(Signature/thumb impression of the depositor )

Date.....

Date.....

**\*: In case of thumb impression.**

#: to be signed on receipt of the pass book at the transferee deposit office.

## **■ THIS IS FOR PUBLIC INFORMATION:**

Given hereinabove is the electronic version of the Senior Citizens Savings Scheme Rules, 2004. The accuracy of conversion to the electronic medium is subject to usual constraints. Hence, nothing in the above document may in any case be construed as an authority. For legal purposes and/or ruling position, the nearby post office or a designated branch of a bank operating the scheme, may be contacted.

\* \* \*



## THE INDIRA VIKAS PATRA RULES, 1986

Issued vide Ministry of finance (DEA) Notification No. G.S.R. 1183(E), dated 5-11-1986

**G.S.R. 1183(E)**—In exercise of the powers conferred by section 12 of Government Savings Certificates Act, 1959 (46 of 1959), the Central Government hereby makes the following rules, namely :

**1. Short title and commencement :** (1) These rules may be called the Indira Vikas Patra Rules, 1986.

(2) They shall come into force on the 19th day of November, 1986.

**2. Definitions :** In these rules, unless the context otherwise requires—

(i) "Act" means the Government Savings Certificates Act, 1959 (46 of 1959);

(ii) "Cash" means cash in Indian currency;

(iii) "Certificate" means the Indira Vikas Patra;

(iv) "Post office" means any Post Office in India doing savings bank work.

1. **Denomination of certificates :** The certificates shall be issued in denominations of Rs. 200, Rs. 500, Rs. 1000 and Rs. 5,000

2. **Purchase of certificates :** (1) The certificates of denominations of Rs. 200, Rs. 500, Rs. 1,000, Rs. 5,000 may be purchased respectively for Rs. 100, Rs. 250, Rs. 500 and Rs. 2,500.

(2) Any number of certificates of the denomination specified in rule 3 may be purchased.

**5. Procedure for purchase of certificates :** (1) A certificate may be purchased at a Post Office on payment of any one of the following modes, namely :

(i) by cash; or

(ii) by locally executed cheque, pay order or demand draft drawn in favour of the Postmaster; or

(iii) by presenting a duly signed withdrawal form or cheque with the Pass Book for withdrawal from Post Office Savings Account standing in the credit of the purchaser at the same Post Office.

(2) No formal application is necessary for purchase of a certificate.

**Clarification : Purchase of Indira Vikas Patras by Institutions/Trusts out of their funds :** The matter was referred to the Ministry of Finance to seek clarification on the point whether institution/trust can purchase IVPs out of their funds. It has been confirmed by the Ministry of Finance that the IVP Rules, 1986 do not place any restriction on the purchase of the Patras by any person.

**6. Issue of certificate :** (1) On payment being made by cash, a certificate shall be issued



immediately and date of such certificate shall be the date of payment.

(2) Where payment for purchase of a certificate is made by locally executed cheque, pay order or demand draft, the certificate shall not be issued before the proceeds of the cheque, pay order or demand draft, as the case may be, are realised and the date of such certificate shall be the date of encashment of the cheque, pay order or demand draft, as the case may be.

(3) If, for any reason, a certificate cannot be issued immediately, a provisional receipt shall be given to the purchaser which may later be exchanged for a certificate and the date of such certificate shall be as specified in sub-rule (1) or sub-rule (2), as the case may be.

(4) A certificate issued under this rule is transferable.

**7. Replacement of certificate :** (1) If a certificate is mutilated or defaced, the bearer is entitled for replacement from the Post Office of issue on payment of fee of rupee one.

(2) A certificate lost, stolen, mutilated, defaced or destroyed beyond recognition, will not be replaced by any Post Office.

**8. Encashment of certificate :** (1) A certificate of any denomination may be encashed at any time after the expiry of a period of five years from the date of issue by presenting it before the Post Office of issue.

(2) Where a certificate of any denomination has been purchased on or after the 1st April, 1987, it may be encashed at any time after the expiry of a period of five and half years from the date of issue by presenting it before the Post Office of issue.

(2A) Where a certificate of any denomination has been purchased on or after the 1st March, 1988, it may be encashed at any time after the expiry of a period of five years from the date of issue by presenting it before the Post Office of Issue.

(2B) Where a certificate of any denomination has been purchased on or after the 2nd September, 1993, it may be encashed at any time after the expiry of five years and six months from the date of issue by presenting it before the Post Office of Issue :

Provided that a certificate may be encashed at any other Post Office if the Officer-in-charge of that Post Office is satisfied on verification from the post Office of issue that such certificate was issued by the said Post Office.

(2C) Where a certificate of any denomination has been purchased on or after the 1st January, 1999, it may be encashed at any time after the expiry of six years from the date of issue by presenting it before the post office of issue.

(3) In the case of certificate purchased on or before the 31st March, 1987 and on or after the 1st March, 1988, interest at the rate of 14.87 per cent per annum compound on the initial sale value of the certificate shall be deemed to have accrued at the end of each year, calculated from the date of initial purchase of the certificate from the Post Office upto the end of the fifth year for the purpose of tax payable by a holder in the relevant assessment year under any law for the time being in force.

(4) In the case of a certificate purchased on or after 1st April, 1987, and on or before 29th February, 1988, or on or after 2nd September, 1993, and on or before 31st December, 1998, interest at the rate of 13.43 per cent per annum compounded on the initial sale value of the certificate shall be deemed to have accrued at the end of each year, calculated from the date of



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initial purchase of the certificate from the post office up to the end of the fifth year for the purpose of tax payable by a holder in relevant assessment year under any law for the time being in force.

(5) In the case of a certificate purchased on or after 1st January, 1999, interest at the rate of 12.25 per cent per annum compounded on the initial sale value of the certificate shall be deemed to have accrued at the end of each year, calculated from the date of initial purchase of the certificate from the post office up to the end of the sixth year for the purpose of tax payable by a holder in relevant assessment year under any law for the time being in force.

1. **Discharge of certificate** : The person presenting a certificate for encashment shall sign in the space provided on the back thereof in token of having received the payment and indicate thereon his name and address.
2. **Responsibility of the Post Office** : The Post Office shall not be responsible for any loss caused to a holder by any person obtaining possession of a certificate and fraudulently encashing it.
3. **Power to relax** : Where the Central Government is satisfied that the operation of any of the provisions in these rules cause undue hardship to the holder of a certificate, 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.

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## NATIONAL SAVINGS CERTIFICATES (VIII ISSUE) RULES, 1989

*(Notification No. GSR 496(E), dated 1st May, 1989)*

In exercise of the powers conferred by section 12 of the Government Savings Certificates Act 1959 (46 of 1959), the Central Government hereby makes the following rules, namely:—

### 1. Short title and commencement:-

- (1) These rules may be called the National Savings Certificates (VIII Issue) Rules, 1989.
- (2) They shall come into force on the 8th May, 1989.

### 2. Definitions:-

In these rules, unless the context otherwise requires:—

- (i) "Act" means the Government Savings Certificates Act, 1959 (46 of 1959);  
[<sup>1</sup>](ii) \* \* \*]
- (iii) "cash" means cash in Indian currency;
- (iv) "certificate" means the National Savings Certificates (VIII Issue);  
[<sup>2</sup>](v) \* \* \*]
- (vi) "corporation" means a corporation established by or under any law for the time being in force;  
[<sup>3</sup>](vii) \* \* \*]
- (viii) "form" means a form appended to these rules and also includes forms as prescribed by the Department of Posts;
- (ix) "Government company" means a company as defined in section 617 of the Companies Act, 1956 (1 of 1956);
- (x) "local authority" means a municipal corporation, municipal committee, district board, Body of Port Commissioners or other authority legally entitled to or entrusted by the Government with the control or management of municipal or local fund;
- (xi) "old certificate" means a certificate issued under the Post Office Savings Certificates Rules, 1960, or the National Savings Certificates (First Issue) Rules, 1965, or the National Savings Certificates (IV Issue) Rules, 1970, or the National Savings Certificates (V Issue) Rules, 1973, or a bond issued under the National Development Bonds Rules, 1977, or the National Savings Certificates (VI Issue) Rules, 1981, or the National Savings Certificates (VII Issue) Rules, 1981, or the Social Security Certificates Rules, 1982, or the Kisan Vikas Patra Rules, 1988;
- (xii)
- (xiii) "Scheduled Bank" means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934);
- (xiv) "trust" means a trust registered under any law for the time being in force.



### 3. Denominations in which certificates shall be issued:-

The National Savings Certificates (VIII Issue) shall be issued in denominations of ₹ 100, ₹ 500, ₹ 1,000, ₹ 5,000, ₹ 10,000 and such other denominations as may be notified by the Central Government from time to time.

### 4. Types of certificates and issue thereof:-

(1) The certificates shall be of the following types, namely:—

- (a) Single holder type certificates;
- (b) Joint 'A' type certificates; and
- (c) Joint 'B' type certificates;

(2) <sup>[4]</sup>(a) A single holder type certificate may be issued to:—

- (i) an adult for himself or on behalf of a minor or to a minor;

<sup>[5]</sup>[(ii) \* \* \*]

(iii) \* \* \*]

- (b) A joint 'A' type certificate may be issued jointly to two adults payable to both the holders jointly or to the survivor.
- (c) A joint 'B' type certificate may be issued jointly to two adults payable to either of the holders or to the survivor.

<sup>[6]</sup>[(3) Non-resident Indians (NRIs) are not eligible to purchase the National Savings Certificates:

Provided that if a resident who subsequently becomes NRI during the currency of maturity period, he shall be allowed to avail of the benefits of the certificates on maturity on a nonrepatriation basis.]

### 5. Purchase of certificates:-

Certificates may be purchased for any amount.

### 6. Procedure for purchase of certificates:-

Any person <sup>[7]</sup>[\* \* \*] specified in rule 4, desiring to purchase a certificate, shall present at a post office an application in Form 1, either in person or through an authorised agent of the small savings schemes.

### 7. Legal tender:-

Payment for the purchase of a certificate may be made to a post office in any of the following modes, namely:—

- (i) cash;
- (ii) a locally executed cheque, pay order or demand draft drawn in favour of the postmaster;
- (iii) by presenting a duly signed withdrawal form together with the pass book for withdrawal from the post office savings bank account;
- (iv) surrender of a matured old certificate duly discharged as follows.—“Received payment through issue of fresh certificate, *vide* application attached”.



**8. Issue of certificates:-**

- (1) On payment being made under rule 7, except where payment is made by a cheque, pay order or demand draft, a certificate shall normally be issued immediately, and the date of such certificate shall be the date of payment.
- (2) Where payment for the purchase of the certificate is made by a cheque, pay order or demand draft, the certificate shall not be issued before the proceeds of the cheque, pay order or demand draft, as the case may be, are realised and the date of such certificate shall be the date of encashment of the cheque, pay order or demand draft, as the case may be.
- (3) If for any reason a certificate cannot be issued immediately, a provisional receipt shall be given to the purchaser which may later be exchanged for a certificate and the date of such certificate shall be as specified in sub-rule (1) or sub-rule (2), as the case may be.

**9. Certificate in lieu of proceeds of old certificate:-**

A holder of an old certificate entitled to encash that certificate may make an application in Form 1 for the grant of a certificate under these rules; on receipt of such an application, there shall be issued to the applicant a certificate under these rules, the date of issue being the date on which the old certificate duly discharged is presented.

**10. Transfer from one post office to another:-**

- (1) A certificate may be transferred from a post office at which it stands registered, to any other post office on the holder or holders making an application in the prescribed form, at either of the two post offices.
- (2) Every such application shall be signed by the holder or holders of the certificate:

Provided that in the case of a joint 'A' type certificate or a joint 'B' type certificate, the application may be signed by one of the joint holders if the other is dead.

**11. Transfer of certificate from one person to another:-**

- (1) A certificate may be transferred with the previous consent in writing of an officer of the post office as specified below (hereinafter referred to in these rules as authorized postmaster).

Cases in which transfer can be sanctioned	Designation of the officer competent to grant permission for transfer
(a) (i) From the name of a deceased holder to his heir.	Postmaster of the post office where the certificate stands registered.
(ii) From a holder to a court of law or to any other person under the orders of a court of law.	
(ii) From a holder to a court of law or to any other person under the orders of a court of law.	
(iii) From a single holder to the names of joint holders of whom the transferee shall be one.	



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(iv) From joint holders to the name of one of the joint holders.	
(b) All other cases.	Head postmaster.

(2) An authorized postmaster as referred to in sub-rule (1) shall give his consent to the transfer of a certificate only if the following conditions are satisfied, namely:—

- (a) the transferee is eligible under these rules to purchase certificates;
- (b) the transfer is made after the expiry of a period of at least one year from the date of the certificate or where the transfer is sought before the expiry of such period, the transfer falls under any of the following categories, namely.—

- (i) transfer to a near relative out of natural love and affection.

*Explanation,—* For the purpose of this rule, “near relative” means husband, wife, lineal ascendant or descendant, brother or sister;

- (ii) transfer in the name of the heir of the deceased holder;
- (iii) transfer from a holder to a court of law or to any other person under the orders of a court of law;
- (iv) Transfer in accordance with rule 12;
- (v) Transfer in the name of the survivor in the event of death of one of the joint holders.

- (c) An application for transfer is made in the prescribed form and is signed by the holder or holders of the certificate:

Provided that in the case of a joint ‘A’ type certificate or a joint ‘B’ type certificate, the application may be signed by one of the holders, if the other is dead.

(3) Without prejudice to the provisions of sub-rule (2), an authorised postmaster shall give his consent to the transfer of a certificate held on behalf of a minor only if at the time of the proposed transfer, a parent or the guardian referred to in sub-clause (i) or, as the case may be, sub-clause (ii) of clause (b) of section 5 of the Act, certifies in writing that the minor is alive and that such transfer is in his interest.

(4) In every case of transfer, other than a transfer under rule 12, the original certificate shall be duly discharged and the new certificate bearing the same date as that of the original certificate surrendered shall be issued in the name of the transferee.

### 12. Pledging of certificate:—

(1) On an application being made in the prescribed form, by the transferor and the transferee, the postmaster of the office of registration may, at any time, permit the transfer of any certificate 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; <sup>[8]</sup>[\* \* \*]
- <sup>[9]</sup>(d) a local authority; and



- (e) a housing finance company approved by the National Housing Bank and [10][10] notified by the Central Government];

Provided that the transfer of a certificate purchased on behalf of a minor shall not be permitted under this sub-rule unless the parent or the guardian of the minor referred to in sub-clause (i) or, as the case may be, sub-clause (ii) of clause (b) of section 5 of the Act certifies in writing that the minor is alive and that the transfer is for the benefit of the minor.

- (2) When any certificate is transferred as security under sub-rule (1), the postmaster of the office of registration shall make the following endorsement on the certificate, namely:—

“Transferred as security to . . .”

- (3) Except as otherwise provided in these rules, the transferee of a certificate under this rule shall, until it is re-transferred under sub-rule (4), be deemed to be the holder of the certificate.
- (4) A certificate transferred under sub-rule (2) may, on the written authority of the pledgee, be re-transferred with the previous sanction in writing of the authorized postmaster and when any such re-transfer is made, the postmaster of the office of registration shall make the following endorsement on the certificate, namely:—

“Re-transferred to . . .”

**Note 1:—**

A Gazetted Officer of the Government accepting the certificate as security under sub-rule (1) or releasing the pledge under sub-rule (4) on behalf of the President or the Governor of a State, shall certify under his dated signature and seal of office that he is duly authorized to execute such instruments or deeds on behalf of the President of India or Governor of a State, giving the particulars of the number and date of the notification of the Government authorizing him in this behalf.

**Note 2:—**

An officer of the Reserve Bank of India or a scheduled bank or a co-operative society including a co-operative bank, a corporation or a Government company or a local authority, as the case may be, accepting the certificate as security under sub-rule (1) or releasing the pledge under sub-rule (4) 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.

- (5) Where as a result of several endorsements made under sub-rules (2) and (4) on a certificate, no space is left for making further endorsements of a like character on that certificate, a fresh certificate may be issued by the postmaster of the office of registration in lieu of such certificate.
- (6) A fresh certificate issued under sub-rule (5) shall be treated as equivalent to the certificate in lieu of which it has been issued for all purposes of these rules.

**13. Replacement of lost or destroyed certificate:-**

- (1) If a certificate is lost, stolen, destroyed, mutilated or defaced, the person entitled thereto may apply for the issue of a duplicate certificate to the post office where the certificate is registered or to any other post office in which case the application will be forwarded to the post office of registration.



- (2) Every such application shall be accompanied by a statement showing particulars, such as number, amount and date of the certificate and the circumstance attending such loss, theft, destruction, mutilation or defacement.
- (3) If the officer-in-charge of the post office of registration is satisfied of the loss, theft, destruction, mutilation or defacement of the certificate, he shall issue a duplicate certificate on the applicant furnishing an indemnity bond in the prescribed form with one or more approved sureties or with a bank guarantee:

Provided that where the face value or the aggregate face value of the certificate or certificates lost, stolen, destroyed, mutilated or defaced is ₹ 500 or less, a duplicate certificate or certificates may be issued on the applicant furnishing an indemnity bond without any such surety or guarantee:

Provided further that where such application is made with respect to a certificate mutilated or defaced, or whatever face value, a duplicate certificate may be issued without any such indemnity bond, surety or guarantee, if the certificate mutilated or defaced is surrendered and the certificate is capable of being identified as the one originally issued.

- (4) A duplicate certificate issued under sub-rule (3) shall be treated as equivalent to the original certificate for all the purposes of these rules except that it shall not be encashable at a post office other than the post office at which such certificate is registered without previous verification.

#### **14. Nomination:-**

- (1) Subject to the provisions of sub-rules (2) to (6), the single holder or joint holders of a certificate may, by filling in necessary particulars on Form 1 at the time of purchasing the certificate, nominate any person who, in the event of death of the single holder or both the joint holders, as the case may be, shall become entitled to the certificate and to the payment of the amount due thereon. If such nomination is not made at the time of purchasing the certificate, it may be made by the single holder, the joint holders or the surviving joint holder, as the case may be, at any time after the purchase of the certificate but before its maturity, by means of an application in Form 2 to the postmaster of the office at which the certificate stands registered.
- (2) There shall not be more than one nominee, except in cases where the denomination of a certificate is ₹ 500 or more.
- (3) No nomination shall be made in respect of a certificate applied for and held by or on behalf of a minor.
- (4) A nomination made by the holder or holders of a certificate under this rule may be cancelled or varied by submitting an application in Form 3 affixing postage stamps of the value specified in sub-rule (2) of rule 25 together with the certificate to the postmaster of the post office at which the certificate stands registered.
- (5) Separate application for nomination or cancellation of a nomination or variation of a nomination shall be made in respect of certificates registered on different dates.
- (6) The nomination or the cancellation of a nomination or the variation of a nomination shall be effective from the date it is registered in the post office, which shall be noted on the certificate.



### 15. Encashment on maturity:-

<sup>[11]</sup>[(1)]The maturity period of a certificate of any denomination shall be six years commencing from the date of the certificate. The amount, inclusive of interest, payable on encashment of a certificate at any time after the expiry of its maturity period, shall be ₹ 201.50 for denomination of ₹ 100 and at proportionate rate for any other denomination. The interest as specified in the Table below shall accrue to the holder or holders of the certificate at the end of each year and the interest so accrued at the end of each year up to the end of the fifth year, shall be deemed to have been re-invested on behalf of the holder and aggregated with the amount of face value of the certificate.

**Table**

<b>The year for which interest accrues</b>	<b>Amount of interest (₹) accruing on certificate of ₹ 100 denomination</b>
First year	12.40
Second year	13.90
Third year	15.60
Fourth year	17.50
Fifth year	19.70
Sixth year	22.40

**Note:-**

The amount of interest accruing on a certificate of any other denomination shall be proportionate to the amount specified in Table above.

<sup>[12]</sup>[(2) Where a certificate has been purchased on or after the 1st day of January, 1999, the amount, inclusive of interest, payable on encashment of the certificate at any time after the expiry of its maturity period shall be ₹ 195.60 for denomination of ₹ 100 and at proportionate rate for any other denomination. The interest as specified in the Table below shall accrue to the holder or holders of the certificate at the end of each year and the interest so accrued at the end of each year up to the end of the fifth year shall be deemed to have been reinvested on behalf of the holder and aggregated with the amount of face value of the certificate.

**Table**

<b>The year for which interest accrues</b>	<b>Amount of interest accruing on certificate of ₹ 100 denomination</b>
First year	11.83
Second year	13.23
Third year	14.80
Fourth year	16.54
Fifth year	18.51
Sixth year	20.69

**Note:-**

The amount of interest accruing on a certificate of any other denomination shall be proportionate to the amount specified in the Table above.]



- <sup>[13]</sup>(3) Where a certificate has been purchased on or after the 15th day of January, 2000, <sup>[14]</sup>[but before the 1st day of March, 2001] the amount inclusive of interest, payable on encashment of the certificate at any time after the expiry of its maturity period shall be ₹ 190.12 for denomination of ₹ 100 and at proportionate rate for any other denomination. The interest as specified in the Table below shall accrue to the holder or holders of the certificate at the end of each year and the interest so accrued at the end of each year upto the end of the fifth year shall be deemed to have been reinvested on behalf of the holder and aggregated with the amount of face value of the certificate.

**Table**

<b>The year for which interest accrues</b>	<b>Amount of interest (₹) accruing on certificate of ₹ 100 denomination (₹)</b>
First year	11.30
Second year	12.58
Third year	14.00
Fourth year	15.58
Fifth year	17.35
Sixth year	19.31

**Note:-**

The amount of interest accruing on a certificate of any other denomination shall be proportionate to the amount specified in the Table above.]

- <sup>[15]</sup>(4) Where a certificate has been purchased on or after the 1st day of March, 2001 <sup>[16]</sup>[but before the 1st day of March, 2002], the amount inclusive of interest, payable on encashment of the certificate at any time after the expiry of its maturity period shall be ₹ 174.52 for denomination of ₹ 100 and at proportionate rate for any other denomination. The interest as specified in the Table below shall accrue to the holder or holders of the certificate at the end of each year and the interest so accrued at the end of each year up to the end of the fifth year shall be deemed to have been reinvested on behalf of the holder and aggregated with the amount of face value of the certificate.

**Table**

<b>The year for which interest accrues</b>	<b>Amount of interest (₹) accruing on certificate of ₹ 100 denomination</b>
First year	9.72
Second year	10.67
Third year	11.71
Fourth year	12.85
Fifth year	14.10
Sixth year	15.47

**Note:-**

The amount of interest accruing on a certificate of any other denomination shall be proportionate to the amount specified in the Table above.]





- <sup>2</sup>[(5) Where a certificate has been purchased on or after the 1st day of March, 2002 <sup>[17]</sup>[but before the 1st day of March, 2003], the amount inclusive of interest, payable on encashment of the certificate at any time after the expiry of its maturity period shall be ₹ 16.59 for denomination of ₹ 100 and at proportionate rate for any other denomination. The interest as specified in the Table below shall accrue to the holder or holders of the certificate at the end of each year and the interest so accrued at the end of each year upto the end of the fifth year shall be deemed to have been reinvested on behalf of the holder and aggregated with the amount of face value of the certificate.

**Table**

<i><b>The year for which interest accrues</b></i>	<i><b>Amount of interest (₹) accruing on certificate of ₹ 100 denomination</b></i>
First year	9.20
Second year	10.05
Third year	10.97
Fourth year	11.98
Fifth year	13.09
Sixth year	14.29

**Note:-**

The amount of interest accruing on a certificate of any other denomination shall be proportionate to the amount specified in the Table above.]

- <sup>[18]</sup>[(6) Where a certificate has been purchased on or after the 1st day of March, 2003, the amount inclusive of interest, payable on encashment of the certificate at any time after the expiry of its maturity period shall be ₹ 160.10 for denomination of ₹ 100 and at proportionate rate for any other denomination. The interest as specified in the Table below shall accrue to the holder or holders of the certificate at the end of each year and the interest so accrued at the end of each year upto the end of the fifth year shall be deemed to have been reinvested on behalf of the holder and aggregated with the amount of face value of the certificate

**Table**

<b>The year for which interest accrues</b>	<b>Amount of interest (₹) accruing on certificate of ₹ 100 denomination</b>
First year	8.16
Second year	8.83
Third year	9.55
Fourth year	10.33
Fifth year	11.17
Sixth year	12.08

**Note:-**

The amount of interest accruing on a certificate of any other denomination shall be proportionate to the amount specified in the Table above.]



<sup>[19]</sup>[(7) The amount payable at the time of encashment on maturity may be rounded off to the nearest multiple of one rupee and for this purpose any amount of 50 paise or more shall be treated as one rupee and any amount less than 50 paise shall be ignored.]

<sup>[20]</sup>**[15A. Post-maturity interest:-**

Where repayment of the amount, inclusive of interest, under rule 15 has become due but has not been made, 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 amount 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 lump sum at the time of repayment of amount due.]

**16. Premature encashment:-**

- (1) Notwithstanding anything contained in rule 15 and subject to sub-rules (2), (3) and (4), a certificate may be prematurely encashed in any of the following circumstances, namely:—
  - (a) on the death of the holder or any of the holders in case of joint holders;
  - (b) on forfeiture by a pledgee being a Gazetted Government Officer when the pledge is in conformity with these rules; or
  - (c) when ordered by a court of law.
- (2) If a certificate is encashed under sub-rule (1) within a period of one year from the date of the certificate, only the face value of the certificate shall be payable.
- (3) If a certificate is encashed under sub-rule (1) after expiry of one year but before the expiry of three years from the date of certificate, the encashment shall be at a discount. On encashment of the certificate, an amount equivalent to the face value of the certificate together with simple interest shall be payable. Such simple interest shall be calculated on the face value at the rate applicable from time to time to single accounts under the Post Office Savings Account Rules, 1981, for the complete months for which the certificate has been held. The difference between the aforesaid simple interest and the interest accruing under rule 15 shall be deemed to be the discount.

<sup>[21]</sup>[(4) (i) If a certificate is encashed under sub-rule (1) after the expiry of three years from the date of certificate purchased before the 1st day of March, 2001, the amount payable, inclusive of interest accrued under rule 15 and after adjustment of discount, shall be as specified in the Table below for a certificate of ₹ 100 denomination and at a proportionate rate for a certificate of any other denomination.



**Table**

<b>Period from the date of the certificate to the date of its encashment</b>	<b>Amount payable inclusive of interest (₹)</b>
Three years or more but less than three years and six months	132.00
Three years and six months or more but less than four years	138.50
Four years or more but less than four years and six months	145.00
Four years and six months or more but less than five years	152.00
Five years or more but less than five years and six months	159.00
Five years and six months or more but less than six years	166.50

- (ii) If a certificate is encashed under sub-rule (1) after the expiry of three years from the date of certificate purchased on or after the 1st day of March, 2001 <sup>[22]</sup>[but before the 1st day of March, 2002], the amount payable, inclusive of interest accrued under rule 15 and after adjustment of discount, shall be as specified in the Table below for a certificate of ₹ 100 denomination and at a proportionate rate for a certificate of any other denomination.

**Table**

<b>Period from the date of the certificate to the date of its encashment</b>	<b>Amount payable inclusive of interest (₹)</b>
Three years or more but less than three years and six months	126.43
Three years and six months or more but less than four years	131.71
Four years or more but less than four years and six months	136.90
Four years and six months or more but less than five years	142.48
Five years or more but less than five years and six months	147.98
Five years and six months or more but less than six years	153.89]

- <sup>[23]</sup>[(iii) If a certificate is encashed under sub-rule (1) after the expiry of three years from the date of certificate purchased on or after the 1st day of March, 2002 <sup>[24]</sup>[but before the 1st day of March, 2003], the amount payable, inclusive of interest accrued under rule 15 and after adjustment of discount, shall be as specified in the Table below for a certificate of ₹ 100 denomination and at a proportionate rate for a certificate of any other denomination.



[25] [Table

Period from the date of the certificate to the date of its encashment	Amount payable inclusive of interest (₹)
Three years or more but less than three years and six months	124.72
Three years and six months or more but less than four years	129.39
Four years or more but less than four years and six months	134.25
Four years and six months or more but less than five years	139.28
Five years or more but less than five years and six months	144.50
Five years and six months or more but less than six years	149.92]]

[26] [(iv) If a certificate is encashed under sub-rule (1) after the expiry of three years from the date of certificate purchased on or after the 1st day of March, 2003, the amount payable, inclusive of interest accrued under rule 15 and after adjustment of discount, shall be as specified in the Table below for a certificate of ₹ 100 denomination and at a proportionate rate for a certificate of any other denomination.

Table

Period from the date of the certificate to the date of its encashment	Amount payable inclusive of interest (₹)
Three years or more but less than three years and six months	121.15
Three years and six months or more but less than four years	125.09
Four years or more but less than four years and six months	129.16
Four years and six months or more but less than five years	133.36
Five years or more but less than five years and six months	137.69
Five years and six months or more but less than six years	142.16]

[27] [(5) The amount payable at the time of premature encashment may be rounded off to the nearest multiple of one rupee and for this purpose any amount of 50 paise or more shall be treated as one rupee and any amount less than 50 paise shall be ignored.]

### 17. Place of encashment:-

A certificate shall be encashable at the post office at which it stands registered:-

Provided that a certificate may be encashed at any other post office if the officer-in-charge of that post office is satisfied on verification from the office of its registration that the person presenting the certificate for encashment is entitled thereto.

### 18. Discharge of certificate:-

(1) The person entitled to receive the amount due under a certificate shall, on its encashment, sign on the back thereof in token of having received the payment.



## How to Grow Money – Part II

- (2) In the case of a certificate purchased on behalf of a minor who has since attained majority, the certificate shall be signed by such a person himself, but his signature shall be attested by the person who purchased it on his behalf or by any other person who is known to the postmaster.
- (3) A certificate of discharge may be issued by the post office to any person encashing a certificate on payment of the fee specified in sub-rule (1) of rule 25.

### 19. Encashment of minor's certificate:-

- (1) A person encashing a certificate on behalf of a minor shall furnish a letter from the parent or guardian of the minor referred to in sub-clause (i), or, as the case may be, sub-clause (ii) of clause (b) of section 5 of the Act, to the effect that the minor is alive and that the money is required on behalf of the minor.
- (2) When the nominee is a minor, the person appointed under sub-section (3) of section 6 of the Act while encashing the certificate, shall furnish a certificate that the minor is alive and that the money is required on behalf of the minor.

### 20. Payment to heirs:-

- (1) If a person dies and is at the time of his death the holder of a savings certificate and there is no nomination in force at the time of his death and probate of his will or letters of administration of his estate or a succession certificate granted under the Indian Succession Act, 1925 (39 of 1925), is not, within three months of the death of the holder, produced to the authority specified in the Table to sub-rule (2), then if the sum due on the savings certificate does not exceed [28][28] [one lakh rupees] (inclusive of the sum due on the savings certificates issued from time to time and held by the deceased), the authority specified in the Table to sub-rule (2) may pay the same to any person appearing to it to be entitled to receive the sum or to administer the estate of the deceased.
- (2) The authorities specified in the Table below shall be competent to sanction claims up to the limit noted against each on the death of the holder of the savings certificate without production of the probate of his will or letters of administration of his estate or succession certificate granted under the Indian Succession Act, 1925 (39 of 1925).

[29] **[Table**

Sl. No.	Name of authority	Limit (in Rs.)
1	2	3
	(i) Time Scale Departmental Sub-Postmasters	1,000
	(ii) Sub-Postmasters in Lower Selection Grade	2,000
	(iii) Sub-Postmasters/Deputy Postmasters/Postmasters in Higher Selection Grade (All non-Gazetted)	5,000
	(iv) Deputy Postmasters/Senior Post masters/Deputy Chief Post-masters/ Superintendent of Post Offices/ Deputy Superintendent (All Gazetted Group-B)	20,000
	(v) Chief Postmasters in Head Offices, Senior Superintendents (All Gazetted Group-A)	50,000
	(vi) Regional Directors/Director (General Post Offices) (In Mumbai and Kolkata)	75,000
	(vii) Chief Postmasters General/Postmasters General (Headquarter and Region)	1,00,000]



## **21. Encashment of certificates held by army, air force and navy personnel:-**

Where a certificate is held by a person who is subject to the Army Act, 1950 (46 of 1950), or the Air Force Act, 1950 (45 of 1950), or the Navy Act, 1957 (62 of 1957), and such person dies or deserts, the Commanding Officer of the Corps, department, unit or ship to which the deceased or deserter belonged or the Committee of Adjustment, as the case may be, may send a requisition to the officer-in-charge of the post office where the certificate stands registered to pay him or it, the amount due under the certificate; and the officer-in-charge of the post office shall be bound to comply with such requisition even though there is in force at the time of death or desertion of holder of the certificate 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 172 of the Navy Act, 1957 (62 of 1957), in the case of a person belonging to the Navy.

## **22. Rights of nominees:-**

- (1) In the event of the death of the holder of a certificate in respect of which a nomination is in force, the nominee or nominees shall be entitled at any time before or after the maturity of the certificate to:—
  - (a) encash the certificate; or
  - (b) sub-divide the certificate in appropriate denominations in favour of individual nominees or two adult nominees jointly.
- (2) For the purpose of sub-rule (1), the surviving nominee or nominees shall make an application to the postmaster of the office of registration, supported by proof of death of the holder and of deceased nominee or nominees, if any.
- (3) If there are more nominees than one all the nominees shall give a joint discharge of the certificate at the time of receiving the payment or sub-division.

### **Note:-**

When there is a nomination in favour of a single nominee or two adult nominees, the post office of registration may, on an application made in that behalf, issue a fresh certificate in the name of such nominee or nominees jointly, as the case may be.

## **23. Conversion from one denomination to another:-**

- (1) Certificates of lower denomination may be exchanged for a certificate or certificates of higher denominations of the same aggregate face value or a certificate of higher denomination may be exchanged for the certificates of lower denomination of the same aggregate face value:

Provided that certificates bearing different dates shall not be combined for being exchanged for certificate or certificates of higher denomination.
- (2) The date of the certificate or certificates issued in exchange shall be the same as that of the original certificate or certificates surrendered and not the date on which the exchange is made.

## **24. Income-tax:-**

Interest on these certificates shall be liable to tax under the Income-tax Act, 1961 (43 of 1961), on the basis of the annual accrual specified in rule 15, but no tax shall be deducted at the time of payment of discharge value.



## 25. Fees:-

- (1) A fee of rupees five shall be chargeable in respect of the following transactions, namely:—
- (i) transfer of certificate from one person to another other than a transfer from the holder to a court of law or under the orders of a court of law;
  - (ii) issue of duplicate certificate under rule 13;
  - (iii) issue of a certificate of discharge under rule 18;
  - (iv) conversion from one denomination to another under rule 23.

**Explanation:-** The fee to be charged for conversion under clause (iv) shall be based on the number of the certificates required to be issued on such conversion.

- (2) A fee of rupees five shall be chargeable on every application for registration of nomination or of any variation in nomination or cancellation thereof:

Provided that no fees shall be charged on an application for registration of the first nomination.

## 26. Responsibility of the post office:-

The post office shall not be responsible for any loss caused to a holder by any person obtaining possession of a certificate and fraudulently encashing it.

## 27. Rectification of mistakes:-

The Department of Posts, or the Postmasters-General or the Heads of Postal Divisions in their respective jurisdictions, may either suo motu or upon an application by any person interested in any certificates issued in pursuance of these rules, rectify any clerical or arithmetical mistakes, with respect to that certificate, provided that it does not involve any financial loss to the Government or to any such person.

## 28. Power to relax:-

Where the Central Government is satisfied that the operation of any of the provisions of these rules causes undue hardship to the holder or holders of a certificate, 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.

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[1] Clause (ii) was omitted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 1995, w.e.f. 1-4-1995. Prior to the omission, clause (ii) read as under:

“(ii)” banking company” means a banking company as defined in section 5 of the Banking Regulation Act, 1949 (10 of 1949);”

[2] Clause (v) omitted, *ibid.* Prior to the omission, clause (v) read as under:

“(v)”company” means a company as defined in the Companies Act, 1956 (1 of 1956);”

[3] Clause (vii) omitted, *ibid.* Prior to the omission, clause (vii) read as under:

“(vii)”firm” means a firm registered under the Indian Partnership Act, 1932 (9 of 1932);”



- [4] Substituted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 1995, w.e.f. 1-4-1995. Prior to the substitution, clause (a) read as under:
- “(a) A single holder type certificate may be issued to:—
- (i) an adult for himself or on behalf of a minor or to a minor;
  - (ii) a banking company excluding a co-operative bank;
  - (iii) a company;
  - (iv) a corporation;
  - (v) an association, institution or a body registered as a society under any law for the time being in force excluding co-operative society;
  - (vi) a firm;
  - (vii) a local authority;
  - (viii) a trust;”
- [5] Sub-clauses (ii) and (iii) omitted by the National Savings Certificates (VIII Issue) Amendment Rules, 2005, w.e.f. 13-5-2005. Sub-clause (iii) was inserted by the National Savings Certificates (VIII Issue) (Second Amendment) Rules, 2001, w.e.f. 2-8-2001.
- [6] Inserted by the National Savings Certificates (VIII Issue) (Third Amendment) Rules, 2003, w.e.f. 25-7-2003.
- [7] The words “or body” omitted by the National Savings Certificates (VIII Issue) Amendment Rules, 2005, w.e.f. 13-5-2005.
- [8] The word “and” omitted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 1990, w.e.f. 23-5-1990.
- [9] Substituted for clause (d), *ibid.* Earlier, clause (d) read as under:
- “(d)a local authority:”
- [10] See SO 498(E), dated 1-8-1991.
- [11] Inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 1999, w.e.f. 1-1-1999.
- [12] Inserted by the National Savings Certificates (Amendment) Rules, 1999, w.e.f. 1-1-1999.
- [13] Inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2000, w.e.f. 15-1-2000.
- [14] Inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2001, w.e.f. 1-3-2001.
- [15] Inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2000, w.e.f. 15-1-2000.
- [16] Inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2000, w.e.f. 15-1-2000.
- [17] Inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2003, w.e.f. 1-3-2003.
- [18] Inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2003, w.e.f. 1-3-2003.
- [19] Inserted by the National Savings Certificates (VIII Issue) (Second Amendment) Rules, 2003, w.e.f. 25-7-2003.
- [20] Inserted by the National Savings Certificates (VIII Issue) (Fourth Amendment) Rules, 2003, w.e.f. 16-10-2003.





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- [21] Substituted for sub-rule (4) by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2001, w.e.f. 1-3-2001. Prior to the substitution, the Table under sub-rule (4) was the same as under present clause (i).
- [22] Inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2002, w.e.f. 1-3-2002.
- [23] Inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2002, w.e.f. 1-3-2002
- [24] Inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2003, w.e.f. 1-3-2003.
- [25] Substituted by the National Savings Certificates (VIII Issue) (Second Amendment) Rules, 2002, w.e.f. 17-10-2002. Prior to the substitution, the Table, as inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2002, w.e.f. 1-3-2002, read as under:

**Table**

<b>Period from the date of the certificate to the date of its encashment</b>	<b>Amount payable inclusive of interest (Rupees)</b>
Three years or more, but less than three years and six months	124.62
Three years and six months or more, but less than four years	129.51
Four years or more, but less than four years and six months	134.29
Four years and six months or more, but less than five years	139.43
Five years or more, but less than five years and six months	144.46
Five years and six months or more, but less than six years	149.83

- [26] Inserted by the National Savings Certificates (VIII Issue) (Amendment) Rules, 2003, w.e.f. 1-3-2003.
- [27] Inserted by the National Savings Certificates (VIII Issue) (Second Amendment) Rules, 2003, w.e.f. 25-7-2003.
- [28] Substituted for "Rs. 60,000" by the National Savings Certificates (VIII Issue) (Fourth Amendment) Rules, 2003, w.e.f. 16-10-2003, which was earlier substituted for "Rs. 20,000" by the National Savings Certificates (VIII Issue) (Amendment) Rules, 1999, w.e.f. 6-7-1999.
- [29] Substituted by the National Savings Certificates (VIII Issue) (Fourth Amendment) Rules, 2003, w.e.f. 16-10-2003. Prior to the substitution, the Table, as substituted by the NSCs (VIII Issue) (Amendment) Rules, 1999, w.e.f. 6-7-1999, read as under:

**Table**

<b>Name of the authority</b>	<b>Limit Rs</b>
(i) Departmental Sub-Postmasters in Time Scale Post Offices	500
(ii) Sub-Postmasters of Lower Selection Grade Post Officers	1,000
(iii) Sub-Postmasters/Deputy Postmasters/Postmasters in Higher Selection Grade (all non-Gazetted)	2,000
(iv) Deputy Postmasters/Senior Postmasters/Deputy Chief Post-masters/Superintendent of Post Offices/Deputy Superinten-dent of Post Offices (all Gazetted Group-B)	10,000
(v) Chief Postmasters in Head Offices, Senior Superintendents of Post Offices (all Group-A)	25,000
(vi) Regional Director/Director (General Post Offices) (in Mumbai and Calcutta)	40,000
(vii) Chief Postmasters General/Postmasters General (Head Quarter and Region)	60,000



How to Grow Money – Part II

**SB ORDER NO. 30/2011**

**F.No.113-01/2011-SB**  
**Government of India**  
**Ministry of Communications & IT**  
**Department of Posts**

Dak Bhawan, Sansad Marg,  
 New Delhi-110001, Dated: 30.11.2011

To  
 All Heads of Circles/Regions  
 Addl. Director General, APS, New Delhi.

Subject:- Introduction of new scheme called " 10 Years National Savings Certificates (IX-Issue)" with effect from 1.12.2011.

Sir / Madam,

The undersigned is directed to enclose copy of Min. of Finance (DEA) Notification issued vide File No. 1-13/2011-NS-II dated 29.11.2011 on the subject.

2. While accepting investment under this scheme, Form-1 already in use for NSC (VIII-Issue) may be used by suitable modification in manuscript as per format given in the rules till new forms are printed. All required KYC norms should be followed as prescribed from time to time for other schemes. All records of this scheme shall be kept in manual mode till the software is amended.

2. It is requested to circulate these instructions to all post offices for information and necessary guidance. Till new certificates are printed and supplied, all Departmental Post Offices shall issue a Preliminary Receipt in the prescribed Form NC4(a) and follow the procedure laid down in Rule 13 of POSB Manual Vol-II.

3. This issues with the approval of member (Operations)/(Technology).

Yours faithfully,

(Kawal Jit Singh)  
 Assistant Director (SB)

Encl:- as above

Copy to:-

1. DDG(FS)/DDG(VIG)/JS&FA/DDG(PAF/DDG(RB)/DDG (Estt.)/DDG(PG & Inspections)/DDG (PCO)
2. Director (Tech) O/o Pr. CPMG T..N Circle.
3. Director (FS)/Director (CBS), Dak Bhawan.
4. Director of Audit (P&T), Delhi.
5. All Directors/Dy. Directors of Accounts, Postal
6. Director, Postal Staff College, Ghaziabad.
7. All Directors, Postal Training Centres.
8. Director PTC Mysore for uploading the SB order on India Post Web Site.
9. A.D (Tech), SDC Chennai O/o CPMG T.N.Circle, Chennai.
10. AD /Inspection/PF/Vigilance
11. All Accounts Officers ICO(SB)
12. All recognized unions.
13. MOF(DEA), NS-II, North Block, New Delhi
14. Director, NSI, CGO Complex, 'A' Wing, 4<sup>th</sup> Floor, Seminary Hills, Nagpur-440006
15. PS to Member (T)
16. PPS to Secretary Posts.



[TO BE PUBLISHED IN THE GAZETTE OF INDIA: EXTRAORDINARY, PART II-SEC. 3 (I)]

New Delhi, the 29<sup>th</sup> November 2011.

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF ECONOMIC AFFAIRS)**

**GSR (E).**- In exercise of the powers conferred by section 12 of the Government Savings Certificate Act, 1959 (46 of 1959), the Central Government hereby makes the following rules, namely:-

**1. Short title and commencement :-**

- (1) These rules may be called the **National Savings Certificates (IX-Issue) Rules, 2011.**
- (2) They shall come into force on the 1st day of December, 2011.

**2. Definitions :-** In these rules, unless the context otherwise requires,-

- (i) **"Act"** means the Government Savings Certificates Act, 1959 (46 of 1959)
- (ii) **"cash"** means cash in Indian currency;
- (iii) **"certificate"** means the National Savings Certificates (IX-Issue);
- (iv) **"Corporation"** means a corporation established by or under any law for the time being in force;
- (v) **"Form"** means form appended to these rules and also includes forms as prescribed by the Department of Posts;
- (vi) **"Government Company"** means a company as defined in section 617 of the Companies Act 1956 (1 of 1956);
- (vii) **"Local Authority"** means a municipal corporation, municipal committee, district board, Body of port commissioners or other authority legally entitled to or entrusted by the Government with the control or management of municipal or local fund;
- (viii) **"Old Certificate"** means a certificate issued under any of the earlier issues of National Savings Certificates;
- (ix) **"Post Office"** means any departmental post office in India doing Savings bank work and such other post office as is authorised by the Department of Posts;

**3. Denominations in which certificates shall be issued,-** The National Savings Certificates (IX Issue) shall be issued in denominations of Rs. 100, Rs. 500, Rs. 1000, Rs. 5000, Rs. 10000 and such other denominations as may be notified by the Central Government from time to time.

**4. Types of Certificates and Issue thereof,-**

- (1) The certificates shall be of the following types, namely:-
  - (a) Single Holder Type certificates;
  - (b) Joint 'A' Type Certificates; and
  - (c) Joint 'B' Type Certificates;
- (2)
  - (a) A Single Holder Type certificate may be issued to an adult for himself or on behalf of a minor or to a minor;
  - (b) A Joint 'A' Type certificate may be issued jointly to two adults payable to both the holders jointly or to the survivor,





(c) A Joint 'B' Type certificate may be issued jointly to two adults payable to either of the holders or to the survivor;

(3) Non Resident Indians are not eligible to purchase the National Savings Certificates.

**5. Purchase of Certificates,-** Certificates may be purchased for any amount.

**6. Procedure for purchase of certificates,-** Any person specified in rule 4, desiring to purchase a certificate, shall present at a Post Office an application in Form 1, either in person or through an authorised agent of the Small Savings Schemes.

**7. Legal Tender,-** Payment for the purchase of a certificate may be made to a post office in any of the following modes, namely:-

- (i) cash;
- (ii) a locally executed cheque, pay order or demand draft drawn in favour of the postmaster;
- (iii) by presenting a duly signed withdrawal form together with the pass book for withdrawal from the Post Office Savings Bank account,
- (iv) surrender of a matured old certificate duly discharged as follows; "Received payment through issue of fresh of fresh certificate vide application attached".

**8. Issue of certificates,-**

- (1) On payment being made under rule 7, except where payment is made by a cheque, pay order or demand draft, a certificate shall normally be issued immediately, and the date of such certificate shall be the date of payment.
- (2) Where payment for the purchase of a certificate is made by a cheque, pay order or demand draft, the certificate shall not be issued before the proceeds of the cheque, pay order or demand draft, as the case may be, are realised and the date of such certificate shall be the date of encashment of the cheque, pay order or demand draft, as the case may be.
- (3) If for any reason a certificate cannot be issued immediately, a provisional receipt shall be given to the purchaser which may later be exchanged for a certificate and the date of such certificate shall be as specified in sub-rule (1) or sub-rule (2), as the case may be.

**9. Certificate in lieu of proceeds of old certificate,-** A holder of an old certificate entitled to encash that certificate may make an application in Form 1 for the grant of a certificate under these rules; on receipt of such an application, there shall be issued to the applicant a certificate under these rules, the date of issue being the date on which the old certificate duly discharged is presented.

**10. Transfer from one post office to another,-**

- (1) A certificate may be transferred from a post office at which it stands registered, to any other post office on the holder or holders making an application in the prescribed form at either of the two post offices.
- (2) Every such application shall be signed by the holder or holders of the certificate:  
Provided that in the case of Joint 'A' Type certificate or a Joint 'B' Type certificate, the application may be signed by one of the joint holders if the other is dead.



- 11. Transfer of certificate from one person to another,-** (1) A certificate may be transferred with the previous consent in writing of an office of the post office as specified below (hereinafter referred to in these rules as authorised Postmaster)

**TABLE**

<b>Cases in which transfer can be sanctioned</b>	<b>Designation of the officer competent to grant permission for transfer</b>
<b>(1)</b>	<b>(2)</b>
(a) (i) From the name of a deceased holder to his/her heir, (ii) From a holder to court of law or to any other person under the orders of court of law. (iii) From a single holder to the names of joint holders of whom the transferee shall be one. (iv) From joint holders to the name of one of the joint holders.	Postmaster of the post office where the certificate stands registered.
(b) All other cases.	Head Postmaster

- (2) An authorised Postmaster as referred in sub-rule (1) shall give his consent to the transfer of a certificate only if the following conditions are satisfied, namely:-
- (a) the transferee is eligible under these rules to purchase certificates;
  - (b) the transfer is made after the expiry of a period of at least one year from the date of the certificate or where the transfer is sought before the expiry of such period, the transfer falls under any of the following categories, namely:-
    - (i) transfer to a near relative out of natural love and affection;  
**Explanation:-** For the purposes of this rule, "near relative" means husband, wife, lineal ascendant or descendent, brother or sister;
    - (ii) transfer in the name of the heir of the deceased holder;
    - (iii) transfer from a holder to a court of law or to any other person under the orders of the court of law;
    - (iv) transfer in accordance with rule 12;
    - (v) transfer in the name of the survivor in the event of death of one of the joint holders.
  - (c) An application for transfer is made in the prescribed form and is signed by the holder or holders of the certificate:  
 Provided in the case of a Joint 'A' Type Certificate or Joint 'B' Type Certificate, the application may be signed by one of the holders, if the other is dead.
- (3) Without prejudice to the provisions of sub-rule (2), an authorised Postmaster shall give his consent to the transfer of a certificate held on behalf of a minor only if at the time of the proposed transfer, a parent or the guardian referred to in sub-clause (i) or, as the case may be, sub-clause (ii), of clause (b) of section 5 of the Act, certifies in writing, that the minor is alive and that such transfer is in his interest.





- (4) In every case of transfer, other than a transfer under rule 12, the original certificate shall be duly discharged and the new certificate bearing the same date as that of the original certificate surrendered shall be issued in the name of the transferee.

## 12. Pledging of certificate,-

- (1) On an application being made in the prescribed form, by the transferor and the transferee, the Postmaster of the office of the registration may, at any time, permit the transfer of any certificate 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 cooperative society including a cooperative bank;
  - (c) a corporation or a Government company; and
  - (d) a local authority:

Provided that the transfer of a certificate purchased on behalf of a minor shall not be permitted under this sub-rule unless the parent or the guardian of a the minor referred to in sub-clause (i) or as the case may be sub-clause (ii), of clause (b) of section 5 of the Act certifies in writing that the minor is alive and that the transfer is for the benefit of the minor.

- (2) When any certificate is transferred as security under sub-rule (1), the Postmaster of the office of the registration shall make the following endorsement on the certificate, namely: -  
"Transferred as security to ....."
- (3) Except as otherwise provided in these rules, the transferee of a certificate under this rule shall, until it is re-transferred under sub-rule (4), be deemed to be the holder of the certificate.
- (4) A certificate transferred under sub-rule (2), may, on the written authority of the pledge, be re-transferred with the previous sanction in writing of the authorised Postmaster and when any such retransfer is made, the Postmaster of the office of registration shall make the following endorsement on the certificate, namely:-  
"Re-transferred to....."

**Note 1:** A Gazetted officer of the Government accepting the certificate as security under sub-rule (1) or releasing the pledge under sub-rule (4) on behalf of the President or the Governor of a State, shall certify under his dated signature and seal of office that he is duly authorised to execute such instruments or deeds on behalf of the President of India or Governor of a 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 scheduled bank or a cooperative society including a cooperative bank, a corporation or a Government company or a local authority, as the case may be, accepting the certificate as security under sub-rule (1) or releasing the pledge under sub-rule (4) on behalf of the respective institution, shall certify under his dated signature and seal of the office that he is duly authorised under the articles of the said institution, to execute such instruments or deeds on its behalf.

- (5) Where as a result of several endorsements made under sub-rules (2) and (4) on a certificate, no space is left for making further endorsements of a like character on that certificate, a fresh certificate may be issued by the Postmaster of the office of the registration in lieu of such certificate.





- (6) A fresh certificate issued under sub-rule (5) shall be treated as equivalent to the certificate in lieu of which it has been issued for all purposes of these rules.

**13. Replacement of lost or destroyed certificate,-**

- (1) If a certificate is lost, stolen, destroyed, mutilated or defaced, the person entitled thereto may apply for the issue of a duplicate certificate to the post office where the certificate is registered or to any other post office in which case the application will be forwarded to the post office of registration.
- (2) Every such application shall be accompanied by a statement showing particulars, such as number, amount and date of the certificate and the circumstances attending such loss, theft, destruction, mutilation or defacement.
- (3) If the Officer in charge of the post office of registration is satisfied of the loss, theft, destruction, mutilation or defacement of the certificate, he shall issue a duplicate certificate on the applicant furnishing an indemnity bond in the prescribed form with one or more approved sureties or with a bank's guarantee:

Provided that where the face value or the aggregate face value of the certificate or certificates lost, stolen, destroyed, mutilated or defaced is Rs. 500 or less, a duplicate certificate or certificates may be issued on the applicant furnishing an indemnity bond without any such surety or guarantee:

Provided further that where such application is made with respect to a certificate mutilated or defaced, of whatever face value, a duplicate certificate may be issued without any such indemnity bond, surety or guarantee, if the certificate mutilated or defaced is surrendered and the certificate is capable of being identified as the one originally issued.

- (4) A duplicate certificate issued under sub-rule (3) shall be treated as equivalent to the original certificate for all the purposes of these rules except that it shall not be encashable at a post office other than the post office at which such certificate is registered without previous verification.

**14. Nomination,-**

- (1) Subject to the provisions of sub-rules (2) to (6), the single holder or joint holders of a certificate may, by filling in necessary particulars on Form 1 at the time of purchasing the certificate, nominate any person who, in the event of death of the single holder or both the jointly holders, as the case may be, shall become entitled to the certificate and to the payment of the amount due thereon. If such nomination is not made at the time of purchasing the certificate, it may be made by the single holder, the joint holders or the surviving joint holder, as the case may be, at any time after the purchase of the certificate but before its maturity, by means of an application in Form 2 to the Postmaster of the office at which the certificate stands registered.
- (2) There shall not be more than one nominee, except in cases where the denomination of a certificate is Rs. 500 or more.
- (3) No nomination shall be made in respect of a certificate applied for and held by or on behalf of a minor.
- (4) A nomination made by the holder or holders of a certificate under this rule may be cancelled or varied by submitting an application in Form 3 affixing postage stamps of the value specified





in sub-rule (2) of rule 25 together with the certificate to the postmaster of the post office at which the certificate stands registered.

- (5) Separate application for nomination or cancellation of a nomination or variation of a nomination shall be made in respect of certificates registered on different dates.
- (6) The nomination or the cancellation of a nomination or the variation of a nomination shall be effective from the date it is registered in the post office, which shall be noted on the certificate.

**15. Encashment on maturity,-** The maturity period of a certificate of any denomination shall be ten years commencing from the date of the certificate. The amount, inclusive of interest, payable on encashment of a certificate at any time after the expiry of its maturity period shall be **Rs. 234.35** for denomination of Rs. 100 and at proportionate rate for any other denomination. The interest specified in the Table below shall accrue to the holder or holders of the certificate at the end of each year and the interest so accrued at the end of each year up to the end of the ninth year, shall be deemed to have been re-invested on behalf of the holder and aggregated with the amount of face value of the certificate.

**TABLE**

The year for which interest accrues	Amount of interest (Rs.) accruing on certificate of Rs. 100 denomination
(1)	(2)
First Year	8.89
Second Year	9.68
Third Year	10.54
Fourth Year	11.48
Fifth Year	12.50
Sixth Year	13.61
Seventh Year	14.82
Eighth Year	16.13
Ninth Year	17.57
Tenth Year	19.13

Note: The amount of interest accruing on a certificate of any other denomination shall be proportionate to the amount specified in Table above.

**16. Premature encashment,-**

- (1) Notwithstanding anything contained in rule 15 and subject to sub –rules (2), (3), and (4), a certificate may be prematurely encashed in any of the following circumstances, namely:-
  - (a) on the death of the holder or any of the holders in case of joint holders;
  - (b) on forfeiture by a pledge being a Gazetted Government Officer when the pledge is in conformity with these rules; or
  - (c) when ordered by court of law.
- (2) If a certificate is encashed under sub-rule (1) within a period of one year from the date of the certificate, only the face value of the certificate shall be payable.
- (3) If a certificate is encashed under sub-rule (1) after expiry of one year but before the expiry of three years from the date of certificate, the encashment shall be at a discount. On encashment of the certificate, an amount equivalent to the face value of the certificate together with simple interest shall be payable. Such simple interest shall be calculated on the face value at the rate applicable from time to time to single accounts under the Post Office





Savings Account Rules, 1981, for the complete months for which the certificate has been held. The difference between the aforesaid simple interest and the interest accruing under rule 15 shall be deemed to be the discount.

- (4) If a certificate is encashed under sub-rule (1) after the expiry of three years from the date of the certificate, the amount payable inclusive of interest accrued under rule 15 and after adjustment of discount, shall be as specified in the Table below for a certificate of Rs. 100 denomination and at a proportionate rate for a certificate of any other denomination.

**TABLE**

Period from the date of the certificate to the date of its encashment	Amount payable inclusive of interest (Rs)
(1)	(2)
3 years or more, but less than 3 years and 6 months	123.14
3 years and 6 months or more, but less than 4 years	127.49
4 years or more, but less than 4 years and 6 months	131.99
4 years and 6 months or more, but less than 5 years	136.65
5 years or more, but less than 5 years and 6 months	143.81
5 years and 6 months or more, but less than 6 years	149.13
6 years or more, but less than 6 years and 6 months	154.65
6 years and 6 months or more, but less than 7 years	160.37
7 years or more, but less than 7 years and 6 months	166.30
7 years and 6 months or more, but less than 8 years	172.46
8 years or more, but less than 8 years and 6 months	178.84
8 years and 6 months or more, but less than 9 years	185.46
9 years or more, but less than 9 years and 6 months	192.32
9 years and 6 months or more, but less than 10 years	199.43

**17. Place of encashment,-** A certificate shall be encashable at the post office at which it stands registered:

Provided that a certificate may be encashed at any other post office if the officer-in-charge of that post office is satisfied on verification from the office of its registration that the person presenting the certificate for encashment is entitled thereto.

**18. Discharge of certificate,-**

- (1) The person entitled to receive the amount due under a certificate shall, on its encashment, sign on the back thereof in token of having received the payment.
- (2) In the case of a certificate purchased on behalf of a minor who has since attained majority, the certificate shall be signed by such person himself, but his signature shall be attested by



the person who purchased it on his behalf or by any other person who is known to the Postmaster.

- (3) A certificate of discharge may be issued by the post office to any person encashing a certificate on payment of the fee specified in sub-rule (1) of rule 25.

**19. Encashment of minor's certificate,-**

- (1) A person encashing a certificate on behalf of a minor shall furnish a letter from the parent or guardian of the minor referred to in sub-clause (i), or as the case may be, sub-clause (ii), of clause (b) of section 5 of the Act, to the effect that the minor is alive and that the money is required on behalf of the minor.
- (2) When nominee is a minor, the person appointed under sub-section (3) of section 6 of the Act while encashing the certificate, shall furnish a certificate that the minor is alive and that the money is required on behalf of the minor.

**20. Payment to heirs,-**

- (1) If a person dies and is at the time of his death the holder of a Savings Certificate and there is no nomination in force at the time of his death and probate of his will or letters of administration of his estate or a succession certificate granted under the Indian Succession Act, 1925 (39 of 1925) is not, within three months of the death of the holder produced to the authority specified in the Table to sub-rule (2), then if the sum due on the Savings Certificate does not exceed Rs. 20,000 (inclusive of the sum due on the Savings Certificates issued from time to time and held by the deceased), the authority specified in the Table to sub-rule (2) may pay the same to any person appearing to it to be entitled to receive the sum or to administer the estate of the deceased.
- (2) The authorities specified in the Table below shall be competent to sanction claims upto the limit noted against each on the death of the holder of the savings certificate without production of the probate of his will or letters of administration of his estate or succession certificate granted under the Indian Succession Act, 1925 (39 of 1925).

**TABLE**

	<b>Name of the authority</b>	<b>Limit in (Rs)</b>
	<b>(1)</b>	<b>(2)</b>
(i)	Time Scale Departmental Sub-Postmasters	1,000
(ii)	Sub-Postmaster in Lower Selection Grade	2,000
(iii)	Sub-Postmasters/Deputy Postmasters/Postmaster in Higher Selection Grade (All Non Gazetted)	5,000
(iv)	Deputy Postmasters/Senior Postmasters/Deputy Chief Postmasters/Superintendent of Post Offices/Deputy Superintendent of Post Offices (All Gazetted Group-B)	20,000
(v)	Chief Postmaster in Head Offices, Senior Superintendents of Post Offices (All Gazetted Group-A)	50,000
(vi)	Regional Directors/Director (General Post Offices)(in Mumbai and Kolkata)	75,000
(vii)	Chief Postmasters General/Postmasters General (Headquarter and Region)	1,00,000





**21 Encashment of Certificates held by Army, Air Force and Navy Personnel,-** Where a certificate is held by a person who is subject to the Army Act, 1950 (46 of 1950) or the Air Force Act, 1950 (45 of 1950) or the Navy Act, 1957 (62 of 1957), and such person dies or deserts, the Commanding Officer of the Corps, department, unit or ship to which the deceased or deserter belonged or the Committee of Adjustment, as the case may be, may send a requisition to the officer-in-charge of the post office where the certificate stands registered to pay him or it, the amount due under the certificate; and the officer-in-charge of the post office shall be bound to comply with such requisition even though there is in force at the time of death or desertion of holder of the certificate a nomination made in favour of any person.

**Explanation:** The aforesaid requisition must be made under section 3 of 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 172 of the Navy Act 1957 (62 of 1957) in the case of a person belonging to the Navy.

**22. Rights of nominees,-**

(1) In the event of the death of the holder of a certificate in respect of which a nomination is in force, the nominee or nominees shall be entitled at any time before or after the maturity of the certificate to,-

- (a) encash the certificate; or
- (b) sub-divide the certificate in appropriate denominations in favour of individual nominees or two adult nominees jointly.

(2) For the purpose of sub-rule (1), the surviving nominee or nominees shall make an application to the Postmaster of the office of registration, supported by proof of death of the holder and of deceased nominee or nominees, if any.

(3) If there are more nominees than one, all the nominees shall give a joint discharge of the certificate at the time of receiving the payment or sub-division.

**Note:** When there is a nomination in favour of single nominee or two adult nominees, the post office of registration may, on an application made in that behalf, issue a fresh certificate in the name of such nominee or nominees jointly as the case may be.

**23. Conversion from one denomination to another,-**

(1) Certificates of lower denomination may be exchanged for a certificate or certificates of higher denominations of the same aggregate face value or a certificate of higher denomination may be exchanged for the certificates of lower denomination of the same aggregate face value: Provided that certificate bearing different dates shall not be combined for being exchanged for certificate or certificates of higher denomination.

(2) The date of the certificate or certificates issued in exchange shall be the same as that of the original certificate or certificates surrendered and not the date on which the exchange is made.

**24. Income Tax,-** Interest on these certificates shall be liable to tax under the Income-Tax Act, 1961 (43 of 1961), on the basis of the annual accrual specified in rule 15, but no tax shall be deducted at the time of payment of discharge value.

**25. Fees,-** (1) A fee of rupees five shall be chargeable in respect of the following transactions, namely:-  
(i) transfer of certificate from one person to another other than a transfer from the holder to a court of law or under the orders of court of law;



- (ii) issue of duplicate certificate under rule 13;
- (iii) issue of a certificate of discharge under rule 18;
- (iv) conversion from one denomination to another under rule 23.

**Explanation,-** The fee to be charged for a conversion under clause (iv) shall be based on the number of the certificates required to be issued on such conversion.

- (2) A fee of rupees five shall be chargeable on every application for registration of nomination or of any variation in nomination or cancellation thereof:

Provided that no fee shall be charged on an application for registration of the first nomination.

**26. Responsibility of the Post Office,-** The post office shall not be responsible for any loss caused to a holder by any person obtaining possession of a certificate and fraudulently encashing it.

**27. Rectification of mistakes,-** The Department of Posts, or the Postmasters General or the Heads of Postal Division in their respective jurisdictions, may either suo-moto or upon an application by any person interested in any certificates issued in pursuance of these rules, rectify any clerical or arithmetical mistakes, with respect to that certificate, provided that it does not involve any financial loss to the Government or to any such person.

**28. Power to relax,-** Where the Central Government is satisfied that the operation of any of the provisions of these rules causes undue hardship to the holder or holders of a certificate, 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.



**FORM-1**

(See Rule 6)

Serial No.....

**FORM OF APPLICATION FOR PURCHASE OF NATIONAL SAVINGS CERTIFICATES (IX ISSUE)**

To

**The Postmaster**

Sir,

I/We hereby tender Rs.....(Rupees.....only) in cash/by cheque No. ....for purchase of National Savings Certificates IX Issue of the type Single/Joint A/Joint B.

(a) in the name(s) of.....and.....

(b) in case of minor, his/her date of birth.....encashable by the minor's parent/guardian Shri/Smt.....

2. I/We nominate the person(s) named below who shall on my/our death, receive payment.

Sl. No.	Name of Nominee	Full Address	Date of birth of minor nominee

3. I/We hereby agree to abide by National Savings Certificates (IX Issue) Rules, 2011.

4. The Certificates may be made over to my/our agent Shri/Smt.....Authority No..... or messenger who presents the application.

Signature and address of Witnesses to nomination

.....  
 .....

Signature/Thumb impression of Investor

Date.....

Address.....

Received the certificate(s)

Delete whichever is not applicable

Signature of Investor/messenger/authorised agent.

Date.....



How to Grow Money – Part II

**TO BE COMPLETED BY THE POST OFFICE**

S.No. of Certificates	Issue Price (Rs.)	Date of encashment	Initials of the Postmaster	Remarks like transfer, issue of duplicate, etc. With initials

Date.....

Signature of Head/Sub Postmaster

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## FORM-2

DEPARTMENT OF POSTS

(See Rule 14(1))

Serial No.....

### FORM OF APPLICATION FOR NOMINATION UNDER SECTION 6 OF THE GOVERNMENT SAVINGS CERTIFICATES ACT, 1959

(This form will be filled in by the holder(s) and submitted with the certificates to the Postmaster of the office where the certificate stands registered)

To

**The Postmaster**

Sir,

Under provisions of Section 6(1) of the Government Savings Certificates Act 1959, I/We.....the holder(s) of Savings Certificates detailed below, hereby nominate the persons mentioned below, who shall, on my/our death, become entitled to the Savings Certificate(s) and to be paid the sum due thereon to the exclusion of all other persons. I/We hereby declare that I/We have not so far made any nomination in respect of these certificates.

Sl. No.	Name of the nominee(s)	Full Address	Date of birth of in case of minor

2. As the nominee(s) at serial number(s).....above is/are minor(s). I/We appoint Shri/Smt./Kumari.....(name and full address) as the person to receive the sum due thereon in the event of my/our death during the minority of the nominee(s).

3. The certificates detailed below are enclosed.

Sl. Nos. of Certificates	Denomination	Date of Issue	Office of Issue

Address

.....

Yours faithfully,

.....

(In case of illiterate holder, father's name should be given)

Signature (or thumb impression  
If illiterate of holder(s))

Witnesses-



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How to Grow Money – Part II

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1. Name  
Address

2. Name  
Address

N.B. In the case of illiterate holders, the witnesses shall be persons whose signature are known to the Post Office.

Order of the Postmaster accepting the nomination.

Date Stamp of Post Office

Signature of Head/Sub-Postmaster





**FORM-3**  
(See Rule 14(4))

Serial No.....

**FORM OF APPLICATION FOR CANCELLATION OR VARIATION OF NOMINATION  
PREVIOUSLY MADE IN RESPECT OF SAVINGS CERTIFICATES UNDER SECTION 6 OF THE  
GOVERNMENT SAVINGS CERTIFICATES ACT, 1959**

(This form will be filled in by the holder/s and submitted with the certificates to the Postmaster of the office where the certificate stands registered)

To

**The Postmaster**

Sir,

Under provisions of Section 6(1) of the Government Savings Certificates Act 1959, I/We.....the holder(s) of Savings Certificates detailed below, hereby cancel the nomination previously made by me/us in respect of these certificates and registered in your office under No.....dated.....

\*In place of the cancelled nomination. I/We hereby nominate the person/s mentioned below, who shall, on my/our death become entitled to the savings certificates and be paid the sum due thereon to the exclusion of all other persons.

Sl. No.	Name of the nominee(s)	Full Address	Date of birth of nominee in case of minor

\*To be filled in case of variation only.

2. As the nominee(s) at serial number(s).....above is/are minor(s). I/We appoint Shri/Smt./Kumari.....(name and full address) as the person to receive the sum due thereon in the event of my/our death during the minority of the nominee(s).

3. The certificates detailed below are enclosed.

Sl. Nos. of Certificates	Denomination	Date of Issue	Office of Issue

Address

.....

Yours faithfully,

.....

(In case of illiterate holder, father's name should be given)

Signature (or thumb impression If illiterate of holder(s))



How to Grow Money – Part II

Witnesses-

1. Name  
Address
2. Name  
Address

N.B. In the case of illiterate holders, the witnesses shall be persons whose signature are known to the Post Office.

Order of the Postmaster accepting the nomination.

Date Stamp of Post Office

Signature of Head/Sub-Postmaster

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[F.No.1-13/2011-NS-II]

  
M.A. Khan, Under Secretary



## THE POST OFFICE TIME DEPOSIT RULES, 1981

[Issued vide MOF (DEA) Notification No. F. 3/15/81-NS-(II)  
dated 17.12.1981 and further amended from time to time]

**G.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 1<sup>st</sup> day of April, 1982.

**(2) Definition** : In these rules, unless the context otherwise requires :-

(a) “**Account**” means a Time Deposit Account;.

(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

**(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 matter 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 a deposit 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 other matters connected therewith shall be as specified.

**(5) Deposit and Repayment** :- (1) There shall be only deposit in an account. The deposit shall be in multiple of two hundred rupees. There is no maximum limit for the amount of deposit in an account.

(2) The 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.

**(6) Re-deposit** : (1) Where a deposit in an account has become due for repayment, the depositor may re-deposit the amount in a new account to be opened, tendering his application for withdrawal of the original deposit in the prescribed form duly discharged.

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



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(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 the 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	1 year
2. More than 6 months and upto 12 months	2 years
3. More than 12 months and upto 18 months	3 years
4. More than 18 months	5 years

(b) In the case of re-deposit failing 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 Table 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 23<sup>rd</sup> 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 22<sup>nd</sup> July, 1974 and the rates of interest specified in Table A below shall be applicable for any remaining period of deposit commencing from the 23<sup>rd</sup> July, 1974

2) Where the interest contains part of a rupee and if such part is 50 paise or more, it shall be rounded off to one complete rupee and if such part is less than 50 paise, it shall be ignored.

**TABLE - A**

**[For deposits made before the 1<sup>st</sup> March, 1978]**

Period of deposit	Rate of interest per annum
<b>1 Year</b>	<b>8 per cent</b>
<b>2 Years</b>	<b>8.5 per cent</b>
<b>3 Years</b>	<b>9 per cent</b>
<b>5 Years</b>	<b>10 per cent</b>

**TABLE - B**

**[For deposits made on or after the 1<sup>st</sup> March, 1978 but before the 1<sup>st</sup> October, 1979]**

Period of deposit	Rate of interest per annum
<b>1 Year</b>	<b>7 per cent</b>
<b>2 Years</b>	<b>7.5 per cent</b>
<b>3 Years</b>	<b>8 per cent</b>
<b>5 Years</b>	<b>10 per cent</b>



**TABLE - C**

[For deposits made on or after the 1<sup>st</sup> October, 1979 but before the 2<sup>nd</sup> March 1981]

Period of deposit	Rate of interest per annum
1 Year	8 per cent
2 Years	8.5 per cent
3 Years	9 per cent
5 Years	10.5 per cent

**TABLE - D**

[For deposits made on or after the 2<sup>nd</sup> March, 1981 but before the 1<sup>st</sup> April, 1982 ]

Period of deposit	Rate of interest per annum
1 Year	8.5 per cent
2 Years	9.5per cent
3 Years	10.5 per cent
5 Years	10.5 per cent

**TABLE - E**

[For deposits made on or after the 1<sup>st</sup> April, 1982 but before the 1<sup>st</sup> March, 1983 ]

Period of deposit	Rate of interest per annum
1 Year	9 per cent
2 Years	9.75 per cent
3 Years	10.5 per cent
5 Years	10.5 per cent

**TABLE - F**

[For deposits made on or after the 1<sup>st</sup> March, 1983 but before the 10<sup>th</sup> May, 1985]

Period of deposit	Rate of interest per annum
1 Year	9 per cent
2 Years	9.75 per cent
3 Years	10.5 per cent
5 Years	11.5 per cent

**TABLE -G**

[For deposits made on or after the 10<sup>th</sup> May, 1985 but before the 1<sup>st</sup> April, 1987]

Period of deposit	Rate of interest per annum
1 Year	9.5 per cent
2 Years	10 per cent
3 Years	10.5 per cent
5 Years	11.5 per cent



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**TABLE - H**

[For deposits made on or after the 1<sup>st</sup> April, 1987 but before the 1<sup>st</sup> April, 1991]

Period of deposit	Rate of interest per annum
1 Year	9.5 per cent
2 Years	10 per cent
3 Years	10.5 per cent
5 Years	11 per cent

**TABLE - I**

[For deposits made on or after 1<sup>st</sup> April, 1991 but before the 1<sup>st</sup> October, 1991]

Period of deposit	Rate of interest per annum
1 Year	9.5 per cent
2 Years	10 per cent
3 Years	11 per cent
5 Years	11.5 per cent

**TABLE - J**

[For deposits made on or after the 1<sup>st</sup> October, 1991 but before the 16<sup>th</sup> December 1991]

Period of deposit	Rate of interest per annum
1 Year	10 per cent
2 Years	11 per cent
3 Years	13 per cent
5 Years	13.5 per cent

**TABLE - K**

[For deposits made on or after the 16<sup>th</sup> December 1991 but before the 2<sup>nd</sup> September 1993]

Period of deposit	Rate of interest per annum
1 Year	12 per cent
2 Years	12 per cent
3 Years	13 per cent
5 Years	13.5 per cent

**TABLE - L**

[For deposits made on or after the 2<sup>nd</sup> September, 1993 but before the 1<sup>st</sup> January, 1999]

Period of deposit	Rate of interest per annum
1 Year	10.5 per cent
2 Years	11 per cent
3 Years	12 per cent
5 Years	12.5 per cent

**TABLE - M**

[For deposits made on or after the 1<sup>st</sup> January, 1999 but before the 15<sup>th</sup> January, 2000]

Period of deposit	Rate of interest per annum
1 Year	9 per cent
2 Years	10 per cent



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3 Years	11 per cent
5 Years	11.5 per cent

TABLE - N

[For deposits made on or after the 15<sup>th</sup> January, 2000 but before the 1<sup>st</sup> March, 2001]

Period of deposit	Rate of interest per annum
1 Year	8 per cent
2 Years	9 per cent
3 Years	10 per cent
5 Years	10.5 per cent

TABLE - O

[For deposits made on or after 1<sup>st</sup> March 2001 but before the 1<sup>st</sup> March, 2002]

Period of deposit	Rate of interest per annum
1 Year	7.5 per cent
2 Years	8 per cent
3 Years	9 per cent
5 Years	9 per cent

TABLE - P

[For deposits made on or after 1<sup>st</sup> March, 2002 but before 1<sup>st</sup> March, 2003]

Period of deposit	Rate of interest per annum
1 Year	7.25 per cent
2 Years	7.50 per cent
3 Years	8.25 per cent
5 Years	8.50 per cent

TABLE - Q

[For deposits made on or after 1<sup>st</sup> March, 2003]

Period of deposit	Rate of interest per annum
1 Year	6.25 per cent
2 Years	6.50 per cent
3 Years	7.25 per cent
5 Years	7.5 per cent

**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 six months from the date of deposit.



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(aa) Where a deposit in a 1 year, 2 year, 3 year or 5 year account is withdrawn prematurely after 6 months but before the expiry of one year from the date of deposit, no interest shall be payable to the depositor.

(b) Where a deposit in a 2 year, 3 year and 5 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 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 percent less than the rate specified for a deposit of 1 year 3 2 years or 3 years as the case may be, 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 the deposit under rule 7 has become due but has not been made, 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 lump sum at the time of repayment of **amount due**.

**10) Pledging of Account :-** (1) Subject to sub-rules (2) to (7) on an application being made in the prescribed form by the transferor and the transferee, officer incharge 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 an 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 deposit in the pass book and also in the page of the 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),b 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 transferred with the previous sanction of the authorized Postmaster and





when such re-transfer is 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).

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 rule 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 the deposit 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 up to 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.

(4) On the death of the 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) Their 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.



### POST OFFICE (MONTHLY INCOME ACCOUNT RULES, 1987)

[Issued vide Government of India, MOF (DEA) Notification No. GSR 701(E) dated 10.8.1987 and further amended from time to time]

**GSR 701 (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 (Monthly Income Account) Rules, 1987.

(2) They shall come into force on the 15<sup>th</sup> day of August, 1987.

**(2) Definitions :-** In these rules, unless the context otherwise requires :-

(a) **'Account'** means a savings account opened by a depositor in accordance with the provisions of these rules;

(b) **'Act'** means the Government Savings Banks Act, 1873 (5 of 1873);

(c) **'Deposit'** means the money deposited by the depositor in an account under the rules.

(ca) **'Depositor'** means an individual who-

(i) on his own behalf or,

(ii) on behalf of a minor or a person of unsound mind of whom he is the guardian

deposits money in an account under the rules.

(d) **'Post Office'** means any post office in India doing savings banks work and authorized to open an account under these rules,

(e) **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.

**3. Application of the Post Office Savings Bank General Rules, 1981 and the Post Office Savings Account Rules, 1981 :-** The provisions of the Post Office Savings Bank General Rules 1981 and the Post office Savings Account rules, 1981, so far as may be, apply in relation to matters for which no provision has been made in these rules.

**4. Opening of account :-** A depositor may operate more than one account under these rules subject to the condition that deposits in all accounts taken together shall not exceed rupees three lakh in single account and rupees six lakh in joint account.

**(5) Deposits and Withdrawals :-** (1) There shall be only one deposit in the account in multiple of one thousand rupees not exceeding rupees three lakh in case of single account and rupees six lakh in case of joint account.

(2) Except as provided in rule 10, no withdrawal shall be permitted under these rules before the expiry of a period of six years from the date of opening of an account.

**(6) Mode of deposit : (1)** The deposit under these rules may be made :

(a) in cash, or



(b) by cheque or demand draft drawn in favour of depositor or the Postmaster of the post office and endorsed in favour of the Post master.

(2) Where deposit is made by cheque or demand draft, the date of deposit under these rules shall be the date encashment of the cheque or the demand draft.

**(7) Nomination :-** (1) The depositor may at the time of opening the account under these rules, nominate a person or persons who, in the event of death of the depositor, shall become entitled to payment due on the account.

(2) if such nomination is not made at the time of opening the account, it may be made by the depositor at any time after the opening the account, but before its closure by means of an application, accompanied by the pass book to the Postmaster of the post office.

**(8) Interest of deposit :-** (1) The deposit made under these rules shall bear interest @ 8% per annum in respect of deposits made on or after the 1<sup>st</sup> day of March, 2003.

(2) The interest shall be payable monthly to the depositor on completion of a month from the date of deposit.

(3) If so authorized, interest payable monthly shall be deposited by the post office in the savings account of the depositor held at the post office where deposit is held subject to the condition that by so depositing the interest, maximum limit of balances in savings account is not exceeded.

(4) If the interest payable every month is not claimed by a depositor, such interest will not earn any additional interest.

(5) interest shall be rounded off to nearest multiple of rupee one and for this purpose any amount of 50 paise or more shall be treated as rupee one and any amount less than 50 paise shall be ignored.

(6) A post office shall, as soon as it comes to its notice that a deposit made under rule 4 by a depositor exceeds the prescribed ceilings specified therein, shall request the depositor to withdraw the excess deposit immediately.

(7) The excess amount referred to in sub-rule (6) shall carry an interest at the rate applicable from time to time to the Post Office Savings Account and shall be payable to such depositor on such amount.

(8) The interest referred to in sub-rule (7) shall be admissible from the date of deposit of the excess amount till the end of the month preceding the month in which the depositor has been requested to withdraw such excess amount in the account.

**9. Closure of account :-** (1) The deposit made at the time of opening of account shall be paid by the post office at which the account stands to depositor on or after expiry of six years from the date of the opening the account along with bonus equal to **5 percent of the amount deposited**, on production of the pass book accompanied by a written application (withdrawal form)

(2) In case of death of a depositor before maturity, account may be closed and deposit refunded alongwith interest upto the month preceding the month in which refund is made.



**9A. Post-maturity interest :-** Where repayment of the amount, inclusive of Bonus under rule 9 has become due but has not been made, interest shall be allowed on the **amount due** for a maximum period of two year from the date of maturity to the date of repayment of the amount 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 account of the type of single or joint account.
- (b) For the purpose of payment off 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 lump sum at the time of repayment of amount due.

**10. Premature closure of account :-** Notwithstanding anything contained in sub-rule (2) of rule 5, on an application made by the depositor in this regard, he may be permitted to withdraw the deposit and close the account any time after expiry of a period of one year from the date of opening of such account, subject to the condition that :-

- (i) If the account is closed on or before expiry of three years of opening of such account, an amount equal to **two percent** of the deposit shall be deducted and remainder paid to him and
- (ii) If the account is closed after expiry of three years from the date of opening of such account an amount equal to **one per cent** of the deposit shall be deducted and remainder paid to him.

**11. Pass Book :-** (1) On opening an account, the depositor shall be given a pass book bearing the date of opening of account, the number of his account, his name and address and the amount deposited and also the monthly interest payable along with the date on which the deposit will be due for final payment.

(2) The pass books shall be presented to the post office at the time of collecting interest every month and also at the time of closing the account.

(3) The depositor availing facility of deposits of interest in his savings account under sub-rule (3) of the Rule 8 shall present the pass book to the post office at least once in six months for completion of entries.

**12. Power to relax :-** Where the Central Government is satisfied that the operation of any of the provisions of 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 provision of the Act.



## POST OFFICE LIFE INSURANCE RULES - 2011

The following rules are issued under the authority of the Government of India: -

**1. Short title, extent and commencement ---** These rules may be called **Post Office Life Insurance Rules - 2011**

(2) These extend to the whole of India.

(3) These shall come into force on the date of its notification in the Official Gazette of India.

2. The President reserves the right of making from time to time such addition, alteration or modification in the rules or in the premia to be paid as may be considered necessary, provided that no such addition, alteration or modification shall affect the terms of any contract for a policy which any person may have made with the Director General of Posts under these or any other rules in force at the time of making the contract, unless such person has given his consent in writing to such addition, alteration or modification.

3. The administration of the Post Office Life Insurance Fund and Rural Post Office Life Insurance Fund under these rules is vested in the Director General of Posts who is authorized to issue from time to time such subsidiary regulations and orders as may be deemed necessary provided that no such regulation or order shall be inconsistent with any provision of these rules or any rules that may hereinafter be made by the President.

4. The Post Office Life Insurance Rules, 2011 shall apply to the Postal Life Insurance and Rural Postal Life Insurance of the Department of Posts.

### DEFINITIONS

5. In these rules: -

(1) “Acceptance letter” is an intimation sent by Postmaster General/ Accepting Authority to the proposer regarding acceptance of proposal.

(2) “Accepting Authority” means an officer who is authorised to accept the proposal for Postal Life Insurance policy / Rural Postal Life Insurance policy.

(3) “Age proof” means the proof given by the proposer to determine his/her age on the next birth day on the date of proposal.

(4) “Anticipated Endowment Assurance” means a life insurance contract entered into by Government to pay a given sum of money, in stipulated installments, to an individual or his assignee, on survival to the end of specified periods, or to pay the given sum of money in one lump sum to his legal representatives or assigns on his death, if death occurs before the specified date of maturity.

(5) “Auto paid up” means a policy for which 36 or more premiums have been paid and also has completed three years or more duration from its date of acceptance and the policy holder without intimation discontinues payment of further premia. However, the policy shall be maturing on the same date as the original policy, either for the original sum assured, when the future premiums payable are compounded by a single payment, or for a reduced sum assured, when the premium in respect of the original policy are discontinued before the stipulated terms.



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- (6) “Children Policy”<sup>1</sup> means a life insurance contract entered into by Government to pay a given sum of money to a child or his/her parent at a certain specified period of child’s life or to his/her legal representatives or assigns at his/her death, if death occurs before the specified date.
- (7) “Commutation” means any alteration in a contract of insurance excepting one in the date of maturity, and includes alteration in the amount of premium in the premium-term, or in the sum assured.
- (8) “Conversion” means any alteration affecting the date of maturity of a contract of insurance and includes not only alteration from Whole Life Insurance class to the Endowment class but also the antedating or post dating of the maturity of an Endowment policy and consequent increase/decrease of premium.
- (9) “Convertible Whole Life Assurance” means a life insurance contract entered into by Government to pay a given sum of money, on the death of an individual, to his legal representatives or assigns, with option to the policy holder to convert the policy, at the end of five years (with a grace period at the end of six years) from the date of commencement of risk, into an Endowment Assurance maturing at a specified age.
- (10) “Date of Acceptance” means the date on which the proposal is accepted and mentioned in the “Acceptance letter” issued to the proposer.
- (11) “Date of commencement of risk” means the date on which the proposal is accepted. No claim shall lie with Postal Life Insurance or Rural Postal Life Insurance before date of acceptance.
- (12) “Direct Agent”<sup>2,3</sup> means an Insurance Agent engaged by the Postmaster General / Head of the Division who receives or agrees to receive payments by way of commission or other remuneration in consideration of his/her soliciting or procuring PLI/RPLI business including business relating to continuance, renewal or revival of policies of PLI/RPLI.
- (13) “Director PLI” means the Director, Postal Life Insurance, Kolkata.
- (14) “Due date of premium” means the first day of the month for which the premium is payable.
- (15) “Endowment Assurance” means a life insurance contract entered into by Government to pay a given sum of money to an individual or his assigns at a certain specified period of his life or to his legal representatives or assigns at his death, if death occurs before the specified date.
- (16) “Head of Division” means Head of Postal Division/ RMS Division/ Chief Post Master.
- (17) “Immediate Superior” means the head of the office in which the proposer is serving. If the proposer is himself the head of the office “Immediate Superior” means the officer to whom the proposer is directly subordinate.
- (18) “Insured” or “insured person” means the person to whom a policy of Postal life insurance/Rural Postal Life Insurance has been issued.
- (19) “Joint Life Insurance/Yugal Suraksha”<sup>4</sup> means a life insurance contract entered into by Government to pay a given sum of money to an individual or his/her surviving spouse or his/her assigns after a certain specified period of term or his/her legal representatives or assigns at his/her death, if death occurs before specified term of period.



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- (20) “Lapsing of policy” – a policy which is in existence more than three years. shall be treated as lapsed if premium/ premia remain unpaid for more than twelve months.
- (21) “ Life Insurance ”contract is a contract by which the Government, in consideration of a certain premium, either in a gross sum or periodical payments, undertakes to pay the person for whose benefit the insurance is made, a stipulated sum upon the expiry of a fixed period, or a stipulated sum upon death of the person whose life is insured.
- (22) “Marketing staff”<sup>5</sup> is an official or person who is authorized by the Postmaster General or Head of Division to procure Postal Life Insurance and Rural Postal Life Insurance business. The marketing staff includes IPOs, ASPOs, ASRMs, Ex- D.O (PLI), PRI (P), Postmasters, Selected Postal Assistant, Postman, Retired GDS BPM, D.O (PLI), Field Officer (PLI), SPM (Rural S.O), GDS staff, and also includes Direct Agents such as Anganwadi worker, Mahila Mandal worker, Ex-Serviceman, Retired school teacher, SHGs, Gram Pradhan & Member Gram Panchayat and any other official/person as considered suitable by the Head of Postal Division.
- (23) “Paid up Policy” means a policy which requires no further payment of premium in respect of it, but maturing at the same date as the original policy, either for the original sum assured, when the future premiums payable are compounded by a single payment, or for a reduced sum assured, when the premium in respect of the original policy are discontinued before the stipulated term.
- (24) “Pay and Accounts Officer and Drawing and Disbursing Officer” means the Officer whatever is his official designation, in whose office the account of pay and allowances of the proposer or the insured person is maintained.
- (25) “Period of Grace”<sup>6</sup> shall extend up to the last day of the calendar month for which the premium is due or the day before the last day if the last day of the month falls on Sunday or Postal holiday.
- (26) “Policy” means the written document containing the terms of contract in respect of insurance.
- (27) “Policy in Force” means a policy for which all the due premia have been paid regularly and such policy has neither become ‘void’ nor ‘lapsed’ under any rule of Post Office Insurance Fund Rules.
- (28) “Post Office Life Insurance Fund (POLIF)” means the amount outstanding in the fund arising out of Postal Life Insurance.
- (29) “Postal Life Insurance (PLI)” includes Whole life Insurance, Endowment Assurance, Convertible Whole Life Assurance, Anticipated Endowment Assurance, Joint Life Insurance and Children Policy and such other schemes as may be introduced by the Department of Posts from time to time.
- (30) “Postmaster General” means the Head of Postal Circle or Region concerned and includes all officers exercising the powers of a Postmaster General in Postal Life Insurance and Rural Postal Life Insurance matters.
- (31) “Post Office” means a Head or Sub-Post Office or Branch Post Office in India under the control of the Director General (Posts). For insurants on Field Service with an expeditionary Force, it includes Base Post Offices as well.
- (32) “Premium” means the periodical payment for any policy.



- (33) “Proposer”/ “Proponent” means the person who applies for scheme/schemes of PLI/RPLI.
- (34) “Rural Post Office Life Insurance Fund (RPOLIF)” means the amount outstanding in the fund arising out of Rural Postal Life Insurance.
- (35) “Rural Postal Life Insurance (RPLI)” includes Whole life Insurance, Endowment Assurance, Convertible Whole Life Assurance
- (36) , Anticipated Endowment Assurance, Joint Life Insurance, Children Policy, and 10 Year policy in Rural Postal Life Insurance and such other schemes as may be introduced by the Department of Posts from time to time.
- (37) “Surrender Value” of a policy means the amount that is payable to an insured, when he foregoes the contingent benefit of his policy and surrenders it for an immediate cash payment, provided at least 36 premiums have been paid and policy has completed minimum 36 months duration.
- (38) “Void” means a policy which is less than three years duration and any premium(s) that have become due, not paid either on the first day of the month for which the premium is due or within the period of grace.
- (39) “Whole Life Insurance” means a life insurance contract entered into by Government to pay a given sum of money, on the death of an individual, to his legal representatives or assigns provided the policy is in force on the date of death.

## **GENERAL RULES:**

### **Eligibility conditions for Postal Life Insurance**

**6.** The following persons are eligible to the benefits of the Post Office Life Insurance fund provided their age is not less than 19 years and not more than 55 years on the next birth day on the date of proposal, except in case of Anticipated Endowment Assurance, Joint Life and Children policy for which the minimum and maximum age limits are prescribed separately:-

- (1) All permanent and temporary employees of Central/State Governments, Universities established by Governments (Centre/State), Gramin Dak Sewaks, Government Aided educational institutions, Nationalized Banks, State Bank of India, Subsidiary Banks of State Bank of India, Financial Institutions notified by Government, Defence personnel (Army, Navy, Air Force), Personnel of para military force including Assam Rifles, ITBPF, CISF, BSF and CRPF etc., Regular employees of Public Sector Undertakings<sup>7</sup> (Centre and State), Regional Rural Banks<sup>8,10</sup>, Permanent & temporary servants of local bodies paid from “Local Funds” as defined in Fundamental Rule 9 (14).
- (2) All permanent and temporary employees of the Council of Scientific and Industrial Research, The Medical Council of India, The Dental Council of India, The Nursing council of India, and The Pharmacy Council of India<sup>9</sup>.
- (3) Industrial and Work-charged employees in the Department of Posts and Department of Telecommunications whose pay is regulated under the “Fundamental Rules”.
- (4) All permanent and temporary employees of autonomous body established by stipulated rules of Centre/State governments<sup>9</sup>.





- (5). Members of the Defence Services including those holding short service commission, extended service commission and other kinds of non-permanent commissions are also eligible to join the fund.

NOTE 1: - If a member of the Defence Service is transferred to Reserve then his policy shall be converted into cash policy for payment of premium in cash at the post office of his choice on or before last day of the month to which the premium relates. If the last day happens to be a Sunday or a Postal holiday, the amount should be paid on the previous business day.

### **Limits of Sum Assured in Postal Life Insurance**

7. Any person who is eligible to the benefit of the Post Office Life Insurance Fund under Rule 6, may effect an insurance- Whole Life Assurance, Endowment Assurance, Convertible Whole Assurance, Anticipated Endowment Assurance and Yugal Suraksha Policy or all of them on his life for a sum not less than Rs. 20,000 in each class but not more than an aggregate of Rs. Ten lac (Rs 10,00,000/-)<sup>12,13,14</sup> in respect of one class/all classes of insurance policy(s) taken together. The value of policy shall be taken in multiples of Rs 10,000/-,<sup>11</sup> after minimum limit of Rs 20,000/- i.e. Rs. 20,000/-, Rs 30,000/-, Rs 40,000/-, Rs 50,000/- and so on.

### **LIFE INSURANCE AND ENDOWMENT ASSURANCE AND OTHER TYPES OF ASSURANCE**

8. Whole Life Assurance or Endowment Assurance or Convertible Whole Life Assurance Policy can be made effective by making a monthly payment of premium till the end of selected term or death of the insured person, whichever is earlier, as specified in Table I<sup>15, 19</sup>, II<sup>15,16,18,19</sup> and III<sup>15,17</sup> respectively of these rules. Anticipated Endowment Assurance and Joint Life Assurance can be made effective by making a monthly payment of premium till the end of selected term or death of the insured person, whichever is earlier, as specified in Table IV<sup>15</sup> and Table V<sup>4</sup> respectively of these rules. The monthly payment in respect of Children Policy shall be regulated by Table VI<sup>1</sup> of these Rules.

NOTE: - In every case except that of Anticipated Endowment Assurance and Joint Life Assurance, the maximum number of monthly premiums payable is twelve times the difference between the age at entry according to which the premium is charged and the age at which payments are to cease. In case of Anticipated Endowment Assurance and Joint Life Assurance, the maximum number of monthly premiums payable is twelve times the selected term.

### **9. Anticipated Endowment Assurance (Introduced w.e.f. 01-02-1984)**

A policy under this scheme will be available in two plans, one of 15 years and the other of 20 years term. The minimum age at entry for both the plans shall be 19 years on the next birth day whereas the upper age limit shall be 45 years and 40 years for 15 years and 20 years term respectively. The sum assured under both the plans shall be paid in four installments as given below Table IV. In case of death of insured at any time during the term of the policy, the full sum assured will be paid along with the accrued bonus without making any adjustment of the periodical survival benefit payments already made. Neither any surrender value nor any loan shall be granted for the policy issued under this scheme. No conversion from/to this policy is permissible. In the event of cessation of premium before maturity age, the reduced paid up assurance will be granted, provided premiums have been paid for not less than three years, only at the date of maturity, that is at the end of stipulated plan term or on death of life assured, and no further periodical payments on account of survival benefit will be paid.



9. (a) **Rural Postal Life Insurance** (Introduced w.e.f. 24-03-1995)

“Rural Postal Life Insurance scheme-1995” called ‘Rural scheme’<sup>20,21</sup> is envisaged to provide insurance cover to the rural public in general and benefit weaker sections and women workers of rural areas in particular. Post Office Life Insurance Rules-2011 as amended from time to time shall be applicable to the “Rural Scheme” mutatis-mutandis except where special provisions have been made and notified under this scheme. The scheme shall cover all persons, male or female, who permanently reside in rural areas and ordinarily residents in India to the exclusion of Foreigners and Non-Resident Indians. Persons fulfilling such eligibility conditions should be between 19 years and 55<sup>22</sup> years of age on next birth day, except for Ten Year Rural PLI and Anticipated Endowment Assurance plan for which upper age limit is prescribed separately. A policy holder who subsequently shifts his/her residence outside India shall make arrangements to make payments of due premia within India in the specified Post Office in Indian currency. The claims in respect of policies of such persons shall be settled in Indian currency in accordance with Post Office Life Insurance Rules 2011. The existing plans of PLI viz. Whole Life Insurance, Convertible Whole Life Insurance, Endowment Assurance and Anticipated Endowment Assurance are available under “Rural Scheme”. The minimum limit for insurance under this scheme shall be Rs 10,000/- (Rs ten thousand only) and maximum limit under medical scheme, taking total sum assured together under all plans shall not exceed Rs 3,00,000/-<sup>25</sup> (Rs three lakh only), while the maximum limit in respect of non-medical scheme, taking total sum assured together under all plans shall not exceed Rs 25,000/- (Rs twenty five thousands only). In case of non-medical policies<sup>23</sup>, the terms and conditions as that of Post Office Life Insurance Rules 2011 amended from time to time shall be applicable. The rates of premium applicable to different plans under “Rural Scheme” shall be the same as per the premium tables notified under different plans of the Postal Life Insurance schemes by the Department from time to time except where different rates of premia are specifically prescribed for any “Rural Scheme”. The premium tables for Whole Life Assurance, Convertible Whole Life Assurance, Endowment Assurance and Anticipated Endowment Assurance are given as Tables VII, VIII, IX and X at end of these rules. The terms and conditions for Anticipated Endowment Assurance under “Rural Scheme” are the same as prescribed in Postal Life Insurance.

(b) The maximum limit of sum assured with non-standard proof of age shall be Rs one lac. The 5% extra premium will be loaded and policies with sum assured of more than Rs 25,000/- should be subject to usual medical examination. Also, any one taking policies worth or more than Rs 25,000/- (sum assured) with non-standard proof of age shall not be beyond 45 years of age<sup>24</sup>.

10. **Ten Year Rural Postal Life Insurance Plan** (Introduced w.e.f. 24-03-1995)

- (a) A policy under this plan shall be available for ten years only<sup>26</sup>. The minimum sum assured under this plan shall be Rs 10,000/- (Rs ten thousand only) and the maximum limit taking total sum assured together under all plans shall not exceed Rs 3, 00,000/- (Rs three lakh only), while the maximum limit in respect of non-medical scheme, taking total sum assured together under all plans shall not exceed Rs 25,000/- (Rs twenty five thousands only). A person who is not less than 19 years and not more than 45 years of age on his/her next birth day shall be eligible for this plan. Under this plan two installments of periodical survival benefits shall be payable to the insurant as a percentage of sum assured in case the insured survives the specific period as indicated below the premium table XI at the end of these rules and the remaining amount shall be payable at the time of maturity along with the bonuses accrued thereof. In case of death of the insured person at any time during the term of the policy, full sum assured shall be payable along with the accrued bonus without adjustment of the



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survival benefit(s)  
already paid or which were due to be paid i.e. due survival benefit(s)  
which remain unpaid shall be paid along with the amount of claim. No  
surrender or

- (b) loan facility shall be available under this plan. No conversion to/ from this plan is permissible. In the event of cessation of premium before maturity age, the reduced paid up assurance will be granted, provided premiums have been paid for not less than three years, only at the date of maturity, that is at the end of stipulated plan term or on death of life assured, and no further periodical payment on account of survival benefit will be paid.

(b) Under this 'Plan', in such cases where the insurant is unable to pay the due premia against his/her policy as direct consequences of a natural calamity, such as floods, droughts or earth quakes, in the area in which the insurant permanently resides, provided he/she had declared the said residence in his/her proposal form, no interest/fine shall be charged from him/her in respect of arrears of premia as accrued and subsequently paid by him up to a maximum period of 12 months from the date of occurrence of such natural calamity. The Postmaster General may also permit payments of such arrears of premia subsequently in monthly installments, not exceeding six installments if the insured so desires. In such cases where the death of the insurant occurs within twelve months of the date of occurrence of the natural calamity, and where the premia had remained unpaid from the month of occurrence of such natural calamity, the policy shall be entertained by the Department. However, in such cases where the premia are in arrears before the said date of occurrence of the natural calamity or beyond twelve months of the occurrence of the natural calamity, shall not come under the purview of this exemption and shall be treated at par with other cases under normal rules. Further, in such cases where Postmaster General has permitted payment of arrears of premia in installments and where death of the insured takes place any time after the first installment of arrears is paid the policy shall be deemed to be in force and shall be entertained by the Department, provided all other regular premia except such arrears which were permitted to be paid in installments have been paid by insured regularly. In all aforesaid cases the arrears of premia shall be recovered from the claim amount payable to the legal heir/nominee of the insurant. In all the aforesaid cases, a certificate shall have to be produced by the insurant/claimant from District Collector confirming the fact of the natural calamity in the area in which the insurant resides/residing causing damage to life or property belonging to the insurant.

### 11. **JOINT LIFE Assurance<sup>4</sup>** (Introduced w.e.f. 01-08-1997)

The policy under this plan shall be issued to a person with his/her spouse who is literate and has independent income for providing insurance cover to both the spouses. The policy shall be limited to a term not less than five years and not exceeding 20 years. The person who has more than one spouse living, such cover will be available only in respect of the eldest spouse. The age at entry of the spouses should not be less than 21 years and more than 45 years and at maturity, the older spouse should not be more than 60 years on his/her next birth day. Both the spouses under this plan shall have to undergo the prescribed medical examination as per these rules irrespective of the sum assured. The premium shall be based on equivalent age on next birth day, which will be calculated by addition to the lower age depending upon difference in the ages of spouses. The schedule to calculate equivalent age next birth day is given along with Table V<sup>4</sup>. The payment of premium shall cease on the death of any one of the spouses. The sum assured with accrued bonus shall be payable at the end of endowment term (date of maturity) if both survive. Otherwise, the sum assured with accrued bonus will be payable on the death of one spouse before maturity, to the survivor. In case of death of both the insured lives simultaneously, the sum assured with accrued bonus shall be payable to the nominee/legal heir. No claim, whatsoever, shall be entertained, if the policy lapses under these rules.



12. **Children Policy<sup>1</sup>** (Introduced w.e.f. 20-01-2006)

The scheme is envisaged to provide insurance cover to maximum two children of a policy holder of Postal Life Insurance and Rural Postal Life Insurance, provided that only one such policy will be allowed for a child against one policy of the father/mother. This is a separate policy. If the father/mother (called insured) of the child has already taken policy(s) or is proposing to take policy(s) on their life either as Whole life or Endowment Assurance (called Main Policy) for a sum assured not less than the sum assured of Children Policy, then Children Policy in respect of their own child/children shall be issued to such insured. The age of child should be between 5 years and 20 years. The maximum age of main policy holder should be below 45 years.

13. Medical Scheme

(a) In every case where the Postal Life Insurance proposal for a Whole Life Assurance, Convertible Whole Life Assurance, Endowment Assurance, Anticipated Endowment Assurance, Joint Life Assurance with sum exceeding Rs.1 lakh; and Rural Postal Life Insurance proposal for a Whole Life Assurance, Convertible Whole Life Assurance, Endowment Assurance, Anticipated Endowment, Joint Life Assurance and Ten year Rural PLI with sum assured exceeding Rs 25,000/- (Rs twenty five thousand only) is submitted, the proposer must undergo a medical examination by the prescribed medical authority and must be declared fit for such insurance by the said authority.

(b) The medical examination shall be carried out as per Rule 24, by the prescribed medical authority depending upon the amount of insurance involved, and the fees on account of medical examination shall be borne by the Department in accordance with Rule 26. However, if second medical opinion is required to be obtained the fee thereof shall be paid by the proposer in case he is responsible for the delay in acceptance of proposal otherwise the fee shall be borne by the Department.

14. Non-Medical Scheme (PLI)<sup>27</sup> - Any person, whose age on next birthday does not exceed 35 years, and who is eligible for a Postal Life Insurance under Post Office Life Insurance Rules, 2011 with the exclusion of handicapped persons and anyone who had applied for a Life Assurance Policy either under Non-Medical or Medical Scheme and had not been turned down by any insurance company operating in India, may apply for a Non-Medical Policy in PLI in multiples of Rs. 10,000/- (Rupees Ten thousand), for such sum assured which shall not exceed Rs. 1,00,000/- (Rupees One Lakh) together with any other Non-Medical policy/policies which the proposer may hold or proposes to hold under the said Non-Medical Scheme. Further the total sum assured shall not exceed Rs. 10, 00,000/- (Rupees Ten Lakhs) together with any Non-Medical or/and Medical policy/policies which the proposer may hold or proposes to hold. The medical history of the proponent should not reveal any adverse features, and the proponent is medically fit at the time of proposal and had not suffered with any chronic disease and hospitalized during the two years prior to the date of proposal.

15. Non-Medical Scheme (RPLI)<sup>23</sup> - Any person, whose age on next birthday does not exceed 35 years, and who is eligible for a Rural Postal Life Insurance, with the exclusion of handicapped persons and anyone who had applied for a Life Assurance Policy either under Non-Medical or Medical Scheme and had not been turned down by any insurance company operating in India, may apply for a Non-Medical Policy in RPLI in multiples of Rs. 5,000/- (Rupees Five thousand), for such sum assured which shall not exceed Rs. 25,000/- (Rupees twenty thousand only) together with any other Non-Medical policy/policies which the proposer may hold or proposes to hold under the said Non-Medical Scheme. Further the total sum assured shall not exceed Rs. 3,00,000/- (Rupees three Lakhs) together with any Non-Medical or/and Medical policy/policies which the proposer may hold or proposes to hold. The medical history of the proponent should not reveal any



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adverse features, and is medically fit at the time of proposal and had not suffered with any chronic disease and hospitalized during the two years prior to the date of proposal.

16. In the event of a Non-Medical Policy issued under these Rules in PLI or RPLI, becoming a claim before maturity and notwithstanding the total sum assured as per the said policy, the payment against such claim shall be restricted to the following amounts: -

- (i) Thirty five percent of sum assured along with the accrued bonus in case the death of the insured person occurs before the completion of one year from the date of acceptance of the proposal.
- (ii) Sixty percent of the sum assured along with the accrued bonus in case the death of the insured person occurs before the completion of two years, but not before the completion of one year, from the date of acceptance of the proposal.
- (iii) Ninety percent of the sum assured along with the accrued bonus in case the death of the insured person occurs before the completion of three years, but not before the completion of two years, from the date of acceptance of the proposal.
- (iv) Full sum assured along with the accrued bonus in case the death of the insured person occurs after completion of three years from the date of acceptance of the proposal.

**17. Scheme of PLI for Physically handicapped persons<sup>28</sup>**

(a) Physically Handicapped persons shall be insured under the “Scheme for Physically Handicapped” and shall have to undergo a special medical examination by the Medical Authorities of Government Hospital (Ortho Surgeon and other specialist) in order to determine the exact nature and extent of their handicap and its bearing on the life being insured. The medical reports shall include in particular:

- (i) A report quantifying the extent of handicap (for example, deformity/loss of one limb, both limbs etc)
- (i) Cause of handicap, i.e. congenital or post congenital.
- (ii) The effects of the handicap on longevity of the proposer and whether the life risk is increasing or decreasing.
- (iii)

“Provided that where such Medical Authority has declared that the life risk is increasing on account of the handicap, such life shall not be insured and the proposal shall be rejected.

(b) Persons suffering from any of the following handicaps shall be eligible to be considered for Insurance under special scheme for “Physically Handicapped”:

- (i) Blindness
- (ii) Deafness
- (iii) Dumbness
- (iv) Orthopedic handicap
- (v) Midgets
- (vi) Hunchbacks
- (vii) Loss of limbs
- (viii) Paralysis or weakness or deformity due to Polio
- (ix) Any other deformity due to non-neurological origin

© Premium in respect of policies taken under the scheme will be determined by the accepting authority.



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(d) In the event of the policy becoming a claim on account of death of the insured before the date of maturity, the amount payable to the nominee or the legal heir, as the case may be, shall be determined as follows: -

- (i) In case the death of the insured takes place before the completion of one year from the date of acceptance of the policy, only thirty five percent of the sum assured and the accrued bonus shall be payable.
- (ii) In case the death of the insured takes place before the completion of two years but not before the completion of one year from the date of acceptance of the policy, only sixty percent of the sum assured and the accrued bonus shall be payable.
- (iii) In case the death of the insured takes place before completion of three years but not before the completion of two years from the date of acceptance of the policy, only ninety percent of the sum assured and accrued bonus shall be payable.
- (iv) In case the death of the insured takes place after the completion of three years, full sum assured along with accrued bonus thereon shall be payable.

(e) The maximum sum assured for physically handicap policy(s) by taking all policies together in PLI and RPLI is Rs ten lacs (Rs 10,00,000/-) and Rs three lacs (Rs 3,00,000/-) respectively.

### MANNER OF EFFECTING AN INSURANCE

(NOTE: - The procedure to be followed in connection with proposals submitted by Defence service personnel is given in the appendix to these rules.)

18. For PLI policies: when a person wishes to purchase a Whole Life Assurance, Convertible Whole Life Assurance, Endowment assurance including Anticipated Endowment Assurance, Joint Life Assurance and Children policy under PLI, he will be required to answer, the question in the prescribed form of proposal which can be obtained at the nearest post office and to sign the form or impress his/her left hand thumb impression, if illiterate, in token of having accepted the terms and conditions thereof and having furnished correct and factual information in the proposal form. The proposal form shall be signed or impressed with thumb in the presence of his/her immediate superior, who will in turn sign the certificate to the effect that the information furnished under relevant questions has been verified and found to be correct and the proposer affixed his/her signatures or thumb impression in his presence.

The immediate superior of the proposer will compare the answers in the form of proposal with the proposer's service book, service roll, appointment certificate and satisfy himself that the details of the proposer's service have been properly recorded and attested. He will prepare a certified copy of (1) the first page of the service book, or (2) the descriptive headings of the service roll, or (3) the appointment certificate and if the proposer is unable to sign his name obtain on it the impression of the left thumb of the proposer in his presence. In the case of a proposer who is able to sign his name, the signature only should be obtained. The immediate superior will then handover the proposal form accompanied with the certified documents referred to above to the Marketing Staff of the Postal Life Insurance who processed the proposal.

NOTE 1: - In the case of a temporary official who has no service book, service roll or appointment certificate, the proposal should be accompanied by the certificate granted by a competent officer of the Department on the terms and conditions of appointment. The immediate superior of the proposer should satisfy himself by a comparison with the records of his office that the details of the proposer's service have been properly recorded and attested. He will obtain, on the certificate referred to above the signature or the impression of the left-thumb as the case may be of the proposer in his presence. An attested copy of the



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proposer's school certificate, a municipal certificate of birth or when a proposer is unable to produce any such document a certificate regarding his age granted by two respectable persons (who should be able to speak from their personal knowledge as to the proposer's age) should also be attached to the proposal.

20. For RPLI policies: When a person wishes to purchase a Whole Life Assurance, Convertible Whole Life Assurance, Endowment assurance including Anticipated Endowment Assurance, 10 Year RPLI and Children policy under RPLI, he will be required to answer, the question in the prescribed form of proposal which can be obtained at the nearest post office and to sign the form or impress his/her left hand thumb impression, if illiterate, in token of having accepted the terms and conditions thereof and having furnished correct and factual information in the proposal form. The proposal form shall be signed or impressed with thumb in the presence of marketing staff, who will in turn sign the certificate to the effect that the information furnished under relevant questions has been verified and found to be correct and the proposer affixed his/her signatures or thumb impression in his presence.

21. The premium due on a Policy taken under any plan in Postal Life Insurance or Rural Postal Life Insurance is calculated on the proposer's age on the next birthday on the date of proposal. The intending insureds are advised to submit their proposals sufficiently in advance of their next birth day so as to admit their proposals being accepted and the first premium paid before the next birthday, otherwise the proposer would be liable to pay the premium at the higher rate if he pays it after he attains the next higher age.

22. The Postmaster General/Head of Division/ Accepting Authority shall authorize the Marketing staff in his jurisdiction to collect advance deposit of the first premium from the proponent with clear undertaking that the risk of his (her) life will commence from the date of acceptance of the proposal by the Postmaster General/Head of Division/ Accepting Authority under these rules, provided the advance deposit is not less than the amount of first premium as worked out after the proper scrutiny of proposal. The proponent may deposit first premium for any number of months and admissible rebate shall be given for six (6) months and twelve (12) months or more advance deposit in Postal Life Insurance and for three (3) months, six (6) months and twelve (12) months or more advance deposit in Rural Postal Life Insurance. The amount of premium(s) shall be refunded to the proponent after deducting the medical examination fee, if the proposal is not accepted by the accepting authority.

23. The marketing staff will then take the proposer and proposal with the certified documents referred to in the preceding rules to the medical officer concerned and request the medical officer to examine the proposer, to record his/her opinion regarding the proposer's health in the place provided for the purpose in the proposal form. For RPLI, the medical officer shall record his/her findings in the separate form titled "Medical Examination Report" prescribed for the purpose. The Medical Officer shall also obtain the signature/left hand thumb impression of the proposer in his/her presence at the place provided for the purpose. The Medical Officer will sign the proposal form after recording his/her recommendations at the place provided for the purpose and return the proposal form to the marketing staff who had submitted the proposal form to him.

24. The status of Medical Officers for medical examination is given as under:-

SN	Limit of Sum Assured	Status of Medical Officer <sup>29 to 34</sup>
(a)	For Insurance up to and including Rs. 5 lac.	(i) Medical officer below the status of Civil Surgeon employed in Central and State Government, Municipal District Board, Local Board, Cantonment Board or Union Board Hospital or dispensaries and also Medical officers of units of Public Sector undertakings, both State and Central, nearest to the



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		place of duty of the proponents. (ii) Retired Medical Officers (Gr. II).
(b)	For insurance in excess of Rs. 5 lac	<p>(i) Medical Officer (Allopathic) working in the Primary Health Centers having a minimum experience of 5 (five) years in Government service.</p> <p>(ii) Medical Officer (Allopathic) employed in Central and State Government, Municipal District Board, Local Board, Cantonment Board or Union Board Hospital or dispensaries and also Medical officers of units of Public Sector undertaking both State and Centre with at least 10 (ten) years experience, nearest to the place of the duty of the proponent.</p> <p>(iii) Civil Surgeon, Medical Officers in the employment of Government enjoying the status not lower than that of a Civil Surgeon or Chief Medical officer, nearest to the place of duty of the proponent. CMO Grade-I/Specialist Class-II shall also be considered as equivalent to the rank of Civil Surgeon.</p> <p>(iv) Retired Civil Surgeon, CMO Gr. –I and Specialist Class-II.</p>

NOTE 1: - Medical examination of the proposer must be carried out by the Medical Officer of the status prescribed in these rules. If a woman medical officer of the prescribed rank or qualification is not available at the station or in the District, the female proposer may be examined after obtaining her written consent by a male medical officer of the corresponding rank and possessing the prescribed qualifications.

NOTE 2: - In all cases the Medical Officer defined in these Rules should be registered with Medical Council of India in the State

NOTE 3: - The Postmaster General concerned will appoint retired medical officer Gr-II, retired Civil Surgeon, CMO Grade-I, Specialist Class-II and Postgraduate Doctor in Medicine, who voluntarily resigned from the Government Service and working as a practicing Consultant Physician, for examining PLI/RPLI proponents up to the limits as given in these rules.

25. The Postmaster General may also appoint the Registered Medical Practitioners (Allopathic) to conduct medical examination of PLI and RPLI proponent up to the sum assured of Rs five lacs (Rs 5 lacs) subject to the following conditions:-

- (i) The RMPs (allopathic) will be authorized only when Government Doctors are not available in particular areas or if available, decline to undertake medical examination;
- (ii) The RMPs so authorized should have at least MBBS degree and registered with Medical Council of India in the State;
- (iii) The RMPs should have experience of at least five years after possessing MBBS degree;
- (iv) The RMPs should be a person of repute having good professional conduct and character;





(v) The fees prescribed for Government Medical Officers for examining the proposer for PLI/RPLI will be payable to an RMP;

(vi) On authorization, such RMPs will be called as 'Authorised RMP' in PLI/RPLI term.

(vii) In order to examine the cases of recommending bad lives by Registered Medical Practitioners on consequential premature Death claims within three years from the date of acceptance, a panel of RMPs (Full name, permanent address, name of clinic, date of authorization, Policy No in respect of which premature death claim was received with sum assured and cause of death etc.) should be constituted by the Postmaster General for review of authorization after two years. Any adverse report should be submitted to the Postmaster General for his decision.

26. The Medical officer concerned will receive a fee<sup>33,35</sup> for each medical examination at rates fixed by the Department from time to time.

27. The Postmaster General/Head of Division/Accepting Authority as authorized by the Department will decide whether the proposal is to be accepted or not after satisfying himself on the basis of particulars furnished viz. eligibility, limit of sum assured, Medical Examination report, completion of columns of policy documents in respect of date of birth, service documents (in respect of PLI), particulars of proposer, superior or marketing staff, declaration of proponent and also that the proposer's signature/thumb impression made before the Medical Officer agrees with that made before the immediate superior/marketing staff in respect of RPLI). If he decides that the proposal should be accepted, he will intimate to the proposer the acceptance of his proposal and furnish him with the instructions as to the amount of subsequent premium to be deposited by him in cash at the specified Post Office by the due dates in case of cash policy. In case of above intimation (acceptance letter) shall also be sent to the Drawing and Disbursing Officer (DDO)/Pay Account Officer (PAO) of the proposer for deduction of monthly premium from proposer, in case of pay policy. Postmaster General /Head of Division/Accepting Authority shall accept proposals up to the Sum Assured as may be decided by the Department from time to time.

28. When a proposal is not accepted after the proposer has been medically examined, within three months a second medical certificate shall be obtained and the fee thereof shall be paid by the proposer responsible for the delay, otherwise it shall be paid out of the Insurance Fund.

29. If a fact regarding serious illness of the proposer or death occurring due to any serious illness in the family of the proposer after medical examination of the proposer comes to the light of the Postmaster General/Head of Division/ Accepting Authority before acceptance of proposal, a fresh medical examination may be ordered at the cost of the Fund.

Note: The proposer is responsible to intimate such facts to the accepting authority in time.

30. After acceptance of the proposal, the Postmaster General/ Head of Division/ Accepting Authority shall simultaneously issue acceptance letter, policy document, and premium receipt book (for cash policy only). Policy document shall be signed by the Postmaster General/ Head of Division / Accepting Authority on behalf of the President of India. All these documents shall be dispatched to the proposer by the Postmaster General with acknowledgement due.



in this book. When the Book is filled up and has no further space for entries, it should be forwarded to the Postmaster General/ Head of Division /Postmaster of Head Post Office including G.P.O who after verifying the entries will arrange to issue a new Book in which it will be noted, under his signature, the month up to which premia have been paid.

32. In the event of a premium receipt book being lost, the insured person should apply, through the nearest Post Office (Head or Sub or Branch), to the Postmaster General/ Head of Division for a duplicate premium receipt book stating in his application the circumstances under which the original book was lost along with the prescribed fee in form ACG-67 or computerized receipt. The Postmaster General/ Head of Division will then issue a duplicate book and send it to the Post Office concerned for delivery to the insured person. The postmaster shall charge the amount towards PLI/RPLI receipt. The Postmaster General/ Head of Division may, however, if he is satisfied that the original book was lost through no fault of the insured person, issue duplicate book without any fee for the purpose.

33. Any person, who has purchased any insurance/assurance policy, may insure/may effect further assurance for additional sum assured subject to the limitation specified in Rule 7(Rule 9 in case of RPLI). In such cases he should submit a proposal in prescribed form. The insured person will also have to undergo medical examination by the prescribed Medical Officer depending upon the aggregate sum assured of all the policies held by him including the fresh proposal applied for.

Exception: - A proposer

who desires within 60 days from the date of his medical examination made in connection with a proposal for insurance to increase the amount of his original proposal or to purchase a fresh policy to mature at the same age or an earlier age will not be required to submit a fresh proposal in the prescribed form or to undergo a second medical examination if the original medical examination was conducted by a Medical Officer competent under Rule 24 to examine the proposer for the revised amount, otherwise second medical examination shall be carried out. If however, the proposal for additional benefits is not accepted within two months from the date of medical examination a further medical certificate should be obtained and the fee thereof should be paid by the proposer if he is responsible for the delay; otherwise the fee should be paid out of the Post Office Life Insurance Fund/ RPOLIF. The additional premium thus due to the increase in the value of the policy or to the purchase of a fresh policy shall be communicated to the insured and the request for increase in policy value or to the purchase of fresh policy shall be accepted only after deposit of the amount in the Post Office and the receipt for the same shall be sent to the Postmaster General/Head of Division/ Accepting Authority.

34. A life insurance contract will be held to commence from the date borne on the policy (date of acceptance) or written document in which the contract is recorded; and the policy will be given to the person insured for custody.

35. The Defence, Assam Rifles and Para Military Forces personnel who are in Medical Category “AYE” (for JCOs/NCOs/OR or equivalent) or “SHAPE” –I (for officers), while submitting proposal for taking a Postal Life Insurance Policy will be exempted from Medical Examination<sup>36,37</sup> for the purpose. Separate proposal form will be used for taking a policy by these personnel. Full claims for sum assured along with the vested bonus will be admissible to the claimant(s) if a policy becomes claim after its acceptance. Suicide cases will however be governed by the existing Post Office Life Insurance Rules 2011.

36. **Assignment and Nomination:-**

(1) In registering any assignment, nomination or appointment of any person to receive the money secured by policy in the event of the insured's death during the minority of the nominee, the Post Office Life Insurance Fund/RPOLIF assumes no responsibility as to the validity thereof.



(2) The Fund does not prescribe any particular forms for assignment or for nomination, or for the notice thereof, and an application on plain paper can also be used for the purpose.

(3) **Policies may be assigned by the policy holder**, either:-

- (i) for valuable consideration; or
- (ii) by way of gift.

4. The assignment may be made either by an endorsement on the reverse of the policy itself or by a separate deed. The assignment must be dated and signed by the assignor in the presence of a witness. Except in the case of an assignment in favour of the President of India as a security for the repayment of any loan granted out of the Fund, an assignment, otherwise complete, will be inoperative against the Fund, unless a notice in writing of the assignment has been delivered to the Postmaster General/ Head of Division.

The notice of assignment must be accompanied by the policy duly endorsed or, where the assignment has been effected by a separate deed, by the deed or assignment or a copy thereof duly certified to be correct by both the assignor and the assigns or their duly authorized agents. The priority of claim under a policy will be governed by the dates on which the notices of the assignments have been received by the Postmaster General/ Head of Division at his office.

5. After the assignment of a policy is once effected, the policy cannot be dealt with any further by the assignor and the only person competent to deal with it will be the assigns. In order to enable the policyholder to deal with the policy again he should have a re-assignment in writing in his own favour executed by the assigns, attested by one or more witnesses, and registered in the records of the Postmaster General/ Head of Division.

(6) **Nomination**

(a) A policy holder is advised to nominate a person or a trust to whom the sum assured shall become payable in the event of his death, so as to save his legal heirs the trouble and expense of obtaining legal title to the sums payable under the policy<sup>39</sup>.

(i) Provided that if any of the legal heir(s) or the nominee(s)/trustee of a policy holder has been charged with the murder of the policy holder, the policy money shall not be paid to him/her unless he/she is honorably acquitted of by the competent court of law<sup>38</sup>.

(b) The holder of a policy of life assurance on his own life may when effecting or at any time before the policy matures for payment nominate the person or persons or religious trust to whom the money secured by the policy is desired to be paid in the event of his death<sup>39</sup>.

© Where the proposer gives the name of the intended nominee or nominees in the proposal form itself, the Fund will incorporate the name of such nominee or nominees in the text of the policy. A nomination, if not incorporated can be made only by an endorsement on the policy. In order to be effective, such endorsement must be communicated to the Postmaster General/ Head of Division for records. A nomination may, at any time before the policy matures for payment, be cancelled or changed by the assured by an endorsement or a further endorsement or a will, as the case may be, but the Fund will not be liable for any payment under the policy made bonafide by it to a nominee mentioned in the text of the policy or to be one nominated by an endorsement on the policy and registered in the records of the Fund unless notice in writing



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## How to Grow Money – Part II

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of any such cancellation or change has been received by the Postmaster General/ Head of Division prior to such payment.

(d) A transfer or assignment of a policy made in accordance with the provision of section 38 of the Insurance Act, 1938 shall automatically cancel a nomination (Section 39 (4)), provided that the assignment of a policy to the insurer who bears the risk on the policy at the time of the assignment, in consideration of a loan granted by that insurer on the security of the policy within its surrender value, or its re-assignment by the insurer or repayment of the loan shall not have the effect of canceling a nomination, but shall affect the rights of the nominee only to the extent of the insurer's interest in the policy.

(e) Where the policy matures for payment during the life time of the person whose life is insured or where the nominee or, if there are more nominees than one, all the nominees die before the policy matures for payment, the amount secured by the policy shall be payable to the policyholder or his heirs or legal representatives of the holder of a succession certificate as the case may be.

(f) Where the nominee or, if there are more nominees than one, a nominee or nominees survive the person whose life is insured the amount secured by the policy shall be payable to such survivor or survivors.

(g) Minor Nominee: - The holder of a policy of life insurance may, in any case where the nominee is a minor, appoint any person to receive the money secured by the policy in the event of his death during the minority of the nominee and communicate such appointment to the Postmaster General/Head of Division by forwarding the documents relating to such appointment. The consent of the appointee should be obtained at the same time as the appointment is made.

(h) Nominations as above are not permissible in the case of policy effected by any married man on his own life and expressed on the face of it to be for the benefit of his wife, or of his wife and children or any of them; in such a case the policy ensures and is deemed to be a trust for the benefit of the insurant's wife or for the benefit of his wife and children or any of them according to the interest so expressed (vide Section 6 of the Married Women's Property Act, 1874).

Provided that the said section 6 shall be deemed not to apply or not to have applied to a policy where the nomination made at any time in favour of the insurant's wife and children or any of them is expressed, whether or not on the face of the policy, as being under section 39 of the Insurance Act, 1938.

NOTE 1: - Assignment of policies made in compliance with Rule 21 (viii) (a) of the General Provident Fund Rules, which in essence, is an assignment for valuable consideration, should also be registered in the office of the Postmaster General/ Head of Division under this rule.

NOTE 2: - Assignment of policy as a whole may be made either in favour of one person or jointly in favour of two or more persons.

NOTE 3: - In the case of an absolute assignment, all rights of the assured are vested in the assigns by an assignment and the assigns may therefore be entitled to claim the surrender value of the policy under Rule 55 without the consent of assured.

NOTE 4: - A policy may be assigned to the President of India for the purpose of paying estate duty payable under the Estate Duty Act, 1953 (34 of 1953) in the form prescribed in Rule 31 of the Estate Duty Rules, 1953. When such a policy matures or is surrendered, the value of the policy or the amount of surrendered value thereof, as the case may be, shall be paid in the manner prescribed in the form of assignment. If the estate duty payable on the estate of assured is less than the policy money receivable under an insurance policy assigned to the President of India under rule 31 of the Estate Duty Rules, 1953, the Postmaster General/ Head of Division, will arrange to pay to the Government so much thereof as may be



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demanding by the Government for satisfaction of the estate duty liability on the estate of the assured and pay the balance to the legal heirs, executors, administrators or other legal representatives or assigns of the deceased or other persons to whom the same may be payable under the policy.

When an insurance policy is assigned to the President of India for the purpose of paying estate duty, the assured shall within three months of the date of registration of the assignment by the Postmaster General/ Head of Division deposit the policy with the Commissioner of Income Tax (who is also the Controller of Estate Duty) within whose jurisdiction the assured resides. In the case of a policy assigned to the President of India for the purpose of paying estate duty, the assured shall surrender to the Controller of Estate Duty all former deeds of assignments or re-assignments, if any, in respect of the policy.

Note 5: A nominee under a policy of the life insurance has a bare right to collect the money payable under the policy on the death of the insured and give a good discharge to the insurer. The nominee does not become the owner of the money payable under the policy and he/she is liable to make it over to the legal representative of the insured. Thus the nominee acts as a receiver only, subject to the provision of these Rules.

37. A person who has once been admitted to the benefits of the Post office Life Insurance Fund shall not forfeit his right or interest in any life insurance policy purchased by him under these rules by reason of his quitting the service in which he is employed, from any cause whatsoever except that referred to in Rule 39, provided that all payments due under the rules are regularly made.

38. All persons who are admitted to the benefits of the Post Office Life Insurance Fund / Rural Post Office Life Insurance Fund have government security for the payment, at the proper time, of the money due to them.

39. Wrong information<sup>40</sup> furnished by a person or suppression of factual information by a person admitted to the benefits of the Post Office Life Insurance Fund/ Rural Post Office Life Insurance Fund will, at the discretion of the Postmaster General, render voidable the contract concluded with that person and lead to forfeiture of all payments made by him.

40. Government officials are prohibited from making public any information of a private character obtained in the course of business regarding the Post Office Life Insurance Fund/ Rural Post Office Life Insurance Fund or any transactions relating thereto. The official violating the rule shall be liable to suitable disciplinary action against him.

41. Policies of PLI/RPLI granted in accordance with these rules are exempted from stamp duty (Government of India, Finance and Commerce Department, Notification No. 5199 SR and 1390 SR dated the 1<sup>st</sup> November-1895 and the 22<sup>nd</sup> March 1898 respectively issued under section 8 of the Indian Stamp Act, 1879).

42.. The accounts of Post Office Life Insurance Fund/ Rural Post Office Life Insurance Fund will be kept in the office of the Director, Postal Life Insurance, Kolkata.

### **MANNER OF REALISING PREMIUM**

NOTE: - (The procedure to be followed in connection with proposal submitted by Defence Services Personnel is given in the appendix to these rules.)

43. Premium is due on the first day of the month.



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44.. The first premium paid on any date shall represent the premium for that calendar month. The first premium must always be paid in cash or cheque by the proposer. In respect of 'pay recovery policies', the premium for a particular month shall be deducted from insurant's salary of the same month but not later than the last day of the said month except in the case of the month of March, where the salary is payable on 1<sup>st</sup> working day of April. The insured person is responsible that the amount of the premium, which is due on the first day of each month, shall be deducted from his pay for the said month. If the premium due for any month is not deducted due to any reason from the pay drawn, the insured person should pay the premium in cash for that month and inform the fact to Pay and Accounts Officer/Drawing and Disbursing Officer. In case of such policies, where it is found that an extra premium has been received as result of switching over from 'Pay recovery' to 'Cash recovery' and vice versa, such premium shall be refunded at the time of maturity/settlement of claim. And if the premium is to be paid in cash the insured person must pay the premium at the post office selected by him either on the first day of the month for which the premium is due, or during the period of grace, which shall extend up to the last day of the calendar month<sup>41</sup> for which the premium is due, or the day before the last day if the last day of the month falls on Sunday or postal holiday, and obtain the Postmaster's receipt for it in his premium receipt book. Payment of premia by insured person who has quit the service of Government is governed by Rule 49. The insured person may pay premium for his/her policy for any number of months at one time in cash in a post office, provided the premia are paid strictly in advance.

Exception: Under special arrangements existing in Tamilnadu, the deductions on account of premium from the pay bills of establishments employed in certain commercial undertakings of Government whose accounts are maintained on a commercial system, are made at the time of disbursement and cash for the total amount recovered is remitted to the treasury. Such deductions will be treated in the same manner as if they had been made by short drawals in the bill encashed at the treasury.

45. In case of pay recovery policy, when an insured person proceeds on leave in India or is under suspension, he/she must arrange payment of premia in cash at any post office so selected or he/she may, if so desires, pay the premia by deduction from his/her leave salary or suspension allowances drawn. When the insured person is on Foreign Service in India or proceeds on leave out of India, he may arrange payment of premia in cash at any Indian post office he/she may select so. Whenever the payment of premia is made in cash at post office the fact should be intimated to Postmaster concerned. However, when an insured person is on leave out of India, he/she will not be considered as in arrears of premia for any month so long as long he/she has not been able to draw any pay and allowances, though due for the month, due to circumstances beyond his/her control. If the pay and allowances are drawn subsequently without deduction of premia, the premia should be paid within a week positively.

46. When a policy has been assigned by the insured person to any other person, the insured person may arrange with the assigns that all the premium shall be paid from time to time by the latter, and the assigns will, with the concurrence of the Postmaster General/Head of Division, pay in cash the monthly premium to the Postmaster selected by him for the purpose. If the premium is not paid on or before the last working day of the month (in case of March-1<sup>st</sup> working day of April) in which it is due, the provision of Rule 56 or the Rule 57, as the case may be, will apply.

47. The Pay and Accounts Office/Drawing and Disbursing Officer of each Department will furnish to the Director PLI, Kolkata with monthly statements in the prescribed form showing all payments of premium realized by deduction from the pay of person belonging to his Department and will give credit for the total amount of such realizations in his exchange (or Central Adjusting Account) with the concerned branch audit officer of the Department of Posts with whom he is in account.

48. When an insured person is transferred from one establishment to another, the premium recoverable from him should be recorded in his last pay certificate with a view to the necessary deduction being made



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from his pay at the new office. The disbursing officer of the insured person should inform the Drawing and Disbursing Officer of the office where the insured person is transferred, and the insured person himself must give such notice to the Postmaster General/Head of the Division.

49. **Policies held by persons who have left the Government Service.** - If an insured person resigns or retires or is dismissed from the service of Government, his policy holds good so long as the premium due are regularly paid by him on the first day of the month or within the period of grace at the Post office selected by him. As soon as the connection of the insured person ceases with the Government, he should apply to the Postmaster General/Head of Division for a Premium Receipt Book informing him of the name of the Post Office at which the 1<sup>st</sup> premium, while in Government service, was deducted and the Post office at which he desires to pay future premium in cash. A copy of this application should also be endorsed to the Postmaster of the place at which future payments of premiums are desired to be made in cash. If the Premium Receipt Book is not received by the time the next premium after his quitting government service falls due, he should pay the amount by the due date in cash at the selected Post office producing a certificate from his last Disbursing Officer in the form appended at the end of this rule. In such a case, the concerned Postmaster would grant a receipt for the amount in from ACG-67. Subsequent premium will be paid in cash on production of the receipt for the previous month's premium, till the Premium Receipt Book is received by him. Thereafter, the due premium shall be paid on production of the Premium Receipt Book and receipt for the amount will then be given only in the Premium Receipt Book.

### FORM

Ministry of -----

Government of ----- /Department of -----

Office of -----

No. ----- (Name of Station)      Dated the -----

#### Certificate of the Disbursing Officer regarding premium deduction on account of PLI

Certified that a sum of Rs. ----- (in words also) being the amount of premium/premia on PLI policy/policies No. ----- dated ----- of Shri ----- (with office address) for the month (s) (Name's of month's with year) was last deducted from the salary for the month(s) of (name of month(s) with year), paid on ---

----- (office seal)

Signature  
(With full name in Block capitals &  
Designation of Disbursing officer)

#### PREMIA AS WELL AS POLICIES WHEN DUE PAYABLE ONLY IN INDIA

50. If the purchaser of a PLI / RPLI policy leaves India, he must arrange with the Postmaster General/Head of Division/DDO for the payment at any Indian Post Office which he may select of the premia payable on his policy. If the insured person dies out of India, the value of his policy will be paid to the



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nominee(s)/legal heir(s). The payment shall be made by the Postmaster General / Head of Division by means of an account payee crossed cheque, “Not negotiable”<sup>42</sup>.

### **REDUCTION, DISCONTINUANCE OR COMMUTATION AND OTHER ALTERATIONS**

51. (1) A policy holder holding a policy other than an Anticipated Endowment Assurance and 10 Year Rural PLI policy may at any time apply for reduction of his monthly premium and sum assured without altering the class of his policy, or after payment of premia for not less than three years he may apply to have his policy made paid –up for a reduced sum assured free from further payment of premium. The paid up value of any policy will be the amount bearing to the total sum assured the same proportion as the total period for which premia have been paid bears to the maximum period for which premia were originally payable. Paid Up policies will not attract bonus with effect from the date of discontinuance of premia<sup>43</sup>. Proportionate bonus shall however be paid on paid up value after completion of 5 years i.e. if a policy remains in force at least for 5 years.

Exception: the above Rule regarding the amount of the paid up policy does not apply to the following cases: -

- (i) Where there are arrears of premiums, and
- (ii) Where there is any outstanding loan or interest due.

(2) Commutation of future premiums by payment of a lump sum may be permitted at any time.

(3) In the case of policies other than Anticipated Endowment Assurance policies and 10 Year Rural PLI, conversions involving alteration of policy terms other than reduction, discontinuance or commutation of premia referred to above will be allowed only after payment of premia for an integral number of years and in any case where it is intended to extend the premium term or to defer the maturity date, on the production of a medical certificate of good health at the expense of the assured. Such conversions will be permitted only once on the duration of each policy without a fee. Second and subsequent conversions shall be subject to a small fee not exceeding Rs. 20/- or as may be fixed by the Department, in each case.

(4) No alteration from Anticipated Endowment Assurance and 10 Year Rural PLI policy to other classes of policies or vice-versa, or alterations in the selected term or in the sum assured of the Anticipated Endowment Assurance policy and 10 Year Rural PLI policy will be allowed.

(5) No such conversion of a policy as would put the date of maturity or of cessation of premium to a date preceding or within one year from the date of conversion is admissible.

### **PAYMENT OF POLICIES**

52. (1) (a) An insured person claiming maturity value of the policy shall be required to fill up and sign an application in the prescribed form available at any Divisional Office/Head or Sub Post Office or Branch Post Office, and forward it to the Postmaster General/Head of Division direct or through Divisional Office/Head or Sub Post Office or Branch Post Office with the documents prescribed by the Department.

(b) In case of claim arising due to death of the insured, the claimant shall fill and sign the application in the prescribed form available at any Divisional Office/Head or Sub Post Office or Branch Post Office, and forward it to the Postmaster General direct or through Divisional Office/Head or Sub Post Office or Branch Post Office with the death certificate and other documents as prescribed by the Department from time to time.

© For claiming the amount of survival benefit i.e. periodical payments in AEA and 10 Year RPLI policy, the insured person is required to fill up and sign an application in the prescribed form available





recommended by the Postmaster General concerned on valid grounds. After waiver, the case shall be settled by Postmaster General observing usual formalities.

## SURRENDER OF POLICIES

55. A policy other than an Anticipated Endowment Assurance, 10 Year Rural PLI and Children policy may be surrendered for an immediate payment in cash, provided the policy is of not less than three years duration. In such a case, the insured person or the assigns of the policy, as the case may be, shall give notice of surrender, in writing, to the Postmaster General concerned and forward the policy or a duplicate copy thereof or Indemnity bond (if policy is lost) at any Post office along with the premium receipt book, if premia had been paid in cash and loan repayment receipt book, if loan principal/interest is outstanding. Further deductions on account of premium from the pay of the insured person shall cease on receipt of instructions from the Postmaster General. A policy surrendered under this rule shall continue to be in force till the end of the month in which the application for surrender is received by the Postmaster General and accordingly the premium shall also be payable for the period for which the policy continues to be in force. For policies in respect of which premium is paid annually in advance, surrender value is to be calculated at the end of the year irrespective of the date of surrender but payment of surrender value may be made when the policy holder asks for it. No bonus will be paid in respect of a policy with effect from the date of discontinuance of premia<sup>43</sup>. Proportionate bonus shall be paid on paid up value after completion of 5 years i.e. if a policy remains in force at least for 5 years.

55.1. On receipt of the notice and the documents referred to in this rule, the Postmaster General shall examine the title of the claimant and calculate the surrender value of the policy in accordance with the prescribed formula. The admissible surrender value of the policy should also be communicated to the claimant for sending his consent/dissent in writing regarding taking payment or not taking payment of the admissible surrender value of the policy intended to be surrendered. The orders for payment of the admissible amount of surrender value shall only be issued on receipt of the consent of claimant for taking payment of admissible amount of surrender value, to the concerned Postmaster, under intimation to the claimant. The amount sanctioned shall be paid to the claimant on his surrendering the payee's copy of the order at the Post Office and signing a receipt for it, duly stamped, where necessary, on the back of the order. In case of payment through cheque Rule as prescribed in 52(2) may be followed.

55.2 The Postmaster General may, in his discretion, allow withdrawal of an application for surrender at any time before the surrender value is actually paid to the applicant if sufficient reasons are adduced for such a withdrawal, and if the withdrawal would not adversely affect the interest of the Fund.

### **Lapsing of policy within thirty six months and settlement of death claims<sup>45 to 48</sup>**

56. (1) The policy for which any premium/premia have become due, not paid either on first day of the month for which the premium is due or within the period of grace allowed as per Rule 44, the policy shall become void.

56. (2) (a) If, in the case of a policy where death takes place before the completion of thirty six months from the date of acceptance of the policy and where any premium/premia have become due, not paid either on first day of the month for which the premium is due or within the period of grace allowed as per Rule 44, the policy shall become void and all claims to any benefit in virtue thereof shall cease and all money that have been paid in consequence thereof shall be forfeited except in cases mentioned hereafter;

- (i) Provided that for the purpose of this rule, an insured person is not to be considered as in arrears of premium for any months so long as he has not been able to draw his pay, pension, or subsistence



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allowance during suspension, or if the insured person is on leave in India, any leave allowance though due for the month next before it is due because of circumstances beyond his control.

- i) Provided further that the provisions of (i) above shall not be applicable to the insurants who pay their premium/premia in cash.

(b) Notwithstanding what is stated above, if death of the life assured occurs within thirty six months from the date of acceptance of the policy, a further period of remission shall be allowed in respect of such policies where premia remain unpaid beyond the period of grace permitted under Rule 44 in the following manner;

- i) If the death of the life assured occurs within six months of the date of acceptance of the policy, no remission period beyond the period of grace shall be allowed.
- ii) If the death of the life assured occurs within twelve months but not before completion of six months from the date of acceptance of the policy, a remission period of 30 days shall be allowed in addition to the period of grace.
- iii) If the death of the life assured occurs within twenty four months but not before the completion of twelve months from the date of acceptance of the policy, a remission period of sixty days shall be allowed in addition to the period of grace.
- iv) If the death of the life assured occurs within thirty six months but not before the completion of twenty four months from the date of acceptance of the policy, a remission period of ninety days shall be allowed in addition to the period of grace.
- v) In the event of death of the life assured taking place during the period of remission allowed as per Rule 56(2)(b) (i) (ii) (iii) and (iv) above and before payment of arrears of premium/premia that had become due along with interest thereon, the policy shall still be considered valid and the sum assured paid to the nominee or legal heir of the insurant as the case may be after the deduction of unpaid premium/premia from the claim amount along with interest thereon at such rate as may be prescribed by Director General of Posts.

NOTE 1: - The Postmaster General, however, has discretionary powers in special cases to allow ex-gratia payment of the value of a policy or a part thereof, or ex-gratia refund of premia paid by the insurant or part thereof, with interest or without interest, provided he is satisfied that there has been no deliberate infringement of rules with the object of using the insurance fund in a manner adversely affecting its interest, and circumstances warrant payment of policy money.

6. (3) In the event of a policy-holder of a void policy desiring re-instatement of his/her policy within a period not later than six months from the date of first unpaid premium had become due in respect of such policy, he may deposit all the arrears of premium/premia till the date of payment along with interest thereon at the rates as prescribed by the Director General of Posts in the Post Office specified for the purpose of payment of premia in respect of such policy. The re-instatement of the policy shall be automatic without any further act on the part of the insurant or the Department, subject to continued insurability of the life at the time of payment of arrears, and for that the insured person shall submit declaration of good health and medical certificate to this effect from Authorized /Registered Medical Practitioner;

- i) Provided that if any payment purporting to be premium payments are made during the period of six months mentioned above and if they do not cover all the arrears together with interest thereon required to reinstate the policy from becoming void, such payment shall be held in suspense and shall not be considered as payment by way of premium to cover the risk of the life assured. No claim whatsoever shall lie on the Department in the event of death of the life assured during such period when premium/premia are held in suspense and the policy is not re-instated. Such premia as are held in suspense shall be refunded to the policy



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holder or his/her nominee, or his/her legal heir as the case may be, as and when applied for along with interest as prescribed by the Director General of Posts.

NOTE 1: - Re-instatement of a policy under Rule 56 (3) and Rule 57 (3) can be allowed on only three occasions during the term of a policy.

**Lapsing of policy beyond thirty six months and settlement of claims** <sup>45 to 48</sup>

57. (1) If in the case of a policy which has remained in force for not less than thirty six months from the date of acceptance of the policy, and where any premium/premia have become due after such period, not paid either on first day of the month for which the premium is due or within the period of grace allowed as per Rule 44, the policy shall cease to be active and treated as lapsed at the end of twelve months from the date the first unpaid premium had become due in respect of such policy;

(i) Provided that for the purpose of this rule an insured person is not to be considered as in arrears of premium for any month so long as he has not been able to draw his pay, pension or subsistence allowance during suspension, or, if the insured person is on leave in India, any leave allowance though due, for the month next before it is due because of circumstances beyond his control.

(ii) Provided further that the provision (i) above shall not be applicable to the insurants who pay their premium in cash.

57. (2) (a) Should the policy become a claim either due to death of the life assured or completion of term of the policy within the said period of twelve months from the date first unpaid premium had become due, the claim for the payment of the policy shall be accepted subject to deduction of all arrears of premium/premia together with interest thereon from the date the first unpaid premium in respect of such policy had become due to the date of its becoming a claim, at interest rate prescribed by the Director General of Posts and subject to further deduction of accumulated loan and interest thereon, if any.

(b) If within the above said period of twelve months the policy does not become a claim either due to the death of the life assured or on completion of term of the policy and if no application for surrender value or for making the policy paid up policy is received within that period, the policy will be automatically kept alive only to the extent of its paid up value provided such paid up value is not less than Rs. 10,000/-.

57. (3) In the event of a policy holder of a policy that has become inactive in terms of sub rule (1) above desiring re-instatement of his/her policy within a period not later than 12 months from the date the first unpaid premium in respect of such policy had become due, he may deposit all the arrears of premium/premia up to date of payment along with interest thereon at the prescribed rates in the Post Office specified for the purpose of payment of premia in respect of such policy. The re-instatement of the policy shall be automatic without any further act on the part of the insurant or the department subject, however, to continued insurability of the life at the time of payment of arrears, and for that the insured person shall submit declaration of good health and medical certificate to this effect from Authorized /Registered Medical Practitioner.

57. (4) Provided that if any payment purporting to be premium payments are made during the aforesaid period of 12 months mentioned in sub rule(3) above and if they do not cover all the arrears together with interest thereon required to prevent the policy from ceasing to be active at the end of 12 months such payment shall be held in suspense and shall not be considered as payment by way of premium to cover the risk of the life assured. No claim, whatsoever shall lie on the department in the event of death of the life assured taking place during such period when premia are held in suspense and the policy is not re-instated. Such premia as are held in suspense shall be refundable to the policy holder, his/her nominee or his/her legal



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heir as the case may be, as and when applied for, with interest as prescribed by the Director General of Posts at the time of such refund.

- (ii) For the policies in respect of which premium is paid annually in cash in advance no refund of premium shall be allowed except in the case of a claim arising out of death when the premium for the unexpired months shall be refunded.

NOTE 1: - Re-instatement of a policy under Rule 56 (3) and Rule 57 (3) can be allowed for only three occasions during the term of a policy.

### REVIVAL OF POLICIES <sup>45 to 48</sup>

58. (1) The Postmaster General/ Head of Division, may in his discretion, on receiving an application in the prescribed proforma allow a policy, which has become void in terms of Rule 56(1), or has ceased to be active in terms of Rule 57(1) and has not been re-instated under the provisions of Rule 56 (3) or 57(3), to be revived provided that the said policy has not attained the date of maturity and the life assured is insurable at the time of revival. Such revival shall be subject to payment, within a date to be specified by the Postmaster General/ Head of Division, of all arrears of premia with interest thereon at the rates prescribed by the Director General of Posts and calculated from the date the first unpaid premium in respect of such policy had become due and further subject to production of a certificate from the employer (s) that the policy holder had not taken any leave on medical grounds during the last one year, or during the period from the date the first unpaid premium had become due in respect of such policy, and certificate from an authorized medical attendant in the prescribed proforma certifying that the life assured is insurable having regard to the insured's health and habits and of evidence to show that there has been no adverse change in his/her personal or family history or his/her occupation.

58. (2). A policy shall not be considered to have been revived unless an application for that purpose has been made and until the policy has been formally revived in writing.

58. (3). Any payments purporting to be premium/premia payments made after a policy has become void in terms of Rule 56(1) or has ceased to be active in terms of Rule 57(1) but before the policy is formally revived in terms of sub rule (1) and (2) above shall be held in suspense and shall not be considered as payments by way of premium/premia to cover the risk of life assured. No claim whatsoever shall lie on the department in the event of death of the life assured during such period when premium/premia are held in suspense and the policy is not revived. Such premia as are held in suspense shall be refunded to the policy holder, his/her nominee or his/her legal heir as the case may be, as and when applied for, with interest as prescribed by the Director General of Posts.

58. (4). The Postmaster General/ Head of Division, may at his discretion in order to revive a policy which has become void under Rule 56 (1) or cease to be active under Rule 57(1) allow the arrears of premia along with interest payable thereon to be paid in convenient installment not exceeding 12 installments in deserving cases under a specific order to be issued in writing. In such cases, the risk of the life assured shall be covered from the day the first installment is deposited provided that subsequent installments have been paid regularly thereafter, as also the normal monthly premia besides the arrears as become due have been deposited regularly as and when due without fail. In the event of death of the insured, who has been depositing the installment of arrears as directed by the Postmaster General/ Head of Division besides the normal monthly premia regularly as and when due notwithstanding the fact that some arrears of premia remain unpaid at the time of death, the claim against the said policy shall be accepted subject to the deduction of such arrears of premia and interest thereon besides loan amount and interest thereon, if any, from the claim amount.

58 (5). For revival of RPLI policies, these rules shall apply mutatis mutandis except that the employer's certificate shall not be required.



NOTE: -The revival of a policy under Rule 58 shall not be allowed on more than two occasions during the entire term of the policy which will, however, not include the relaxation given under Rules 56(3) and 57(3) for re-instatement.

## LOAN ON POLICIES

59. (1) (a) Loan may be granted on the security of policies other than Anticipated Endowment Assurance, Ten year Rural PLI and Children policies issued under these rules. Such loans may be granted on the security of a Whole Life policy, if it has been in force for at least four years, and is otherwise unencumbered and has acquired a minimum surrender value of Rs. 1000/-<sup>49</sup>-. The percentages of the surrender value up to which loans may be granted on the security of a Whole Life policy shall be as per rates prescribed by the Department from time to time.

(b) Loan may also be granted on the security of an Endowment Assurance policy including Joint Life Assurance, if it has been in force for at least three years, and is otherwise unencumbered and has acquired a minimum surrender value of Rs. 1000/-<sup>49</sup>-. The percentages of the surrender value up to which loans may be granted shall be as per rates prescribed by the Department from time to time.

59. (2). Application for loan in the prescribed form available at any Post Office shall be made to the Postmaster General/ Head of Division. The loan application form duly filled in and signed by the insurant, along with the policy shall be handed over, against a receipt, to the Postmaster. The Postmaster concerned shall immediately forward all the papers to the Postmaster General/ Head of Division. In the alternative, the loan application may be sent by the insurant direct to the Postmaster General/ Head of Division along with the policy, premium receipt book (in case of cash policy) and loan repayment receipt book (in case of second or subsequent loan) and disbursing officer's certificate for last six months for deduction of premia (in case of pay recovery policy). The Postmaster General/ Head of Division shall, on receipt of the application and documents, shall verify connected records relating to that policy for eligibility of loan and whether the policy is free from encumbrances. He shall also calculate the amount of loan as admissible on the date of application and sanction the loan, if admissible, on the conditions stated above. A copy of the sanction along with a loan bond with the relevant entries filled in shall be forwarded to the Postmaster concerned with instructions to pay the amount to the applicant after his executing the loan bond, which shall be returned by the Postmaster and kept with the policy and the application for loan in safe custody with the Postmaster General/ Head of Division. The policy shall be released to the insured person or the party legally entitled thereto after ensuring that the amount of loan and interest have been completely repaid. The amount of loan sanctioned should be in complete multiples of Rs. 100/-<sup>49</sup>-. Insured person will be supplied by the Postmaster General/ Head of Division (through the Post Office concerned) with a loan repayment receipt book, in which the Postmaster will enter under his initials with date each installment of amount paid in repayment of the loan. In the event of loss of the loan repayment receipt book, the procedure laid down in Rule 32 shall be followed.

The policy against which loan is taken should always be assigned to the President.

If an insured person has assigned his policy in favour of another person, loan on such a policy will be granted to the insured person only on his getting the policy re-assigned in his favour and then assigning it to the President. A second or subsequent loan not exceeding the amount prescribed in sub-rule (1) of this rule may be granted on the security of a policy on which one loan has already been granted. The second or subsequent loan shall not, however, be granted until one year after the repayment of the previous loan\*.

\*The Post Master General may grant second or subsequent loan in exceptional circumstances.



59. (3). The loan may be repaid at any time. It may also be paid in installments of amount not less than Rs. 100/<sup>49</sup>-. Interest will be charged @ 10% per annum compounding half yearly and should be paid on or before the dates specified in the loan bond and loan repayment receipt book. Interest for the half year will be charged on the amount outstanding on the first day of the half year, and any repayment made during that half year will be taken into account for calculation of interest only for the next half year. In the case of final repayment, interest will not be charged beyond the last date of the month in which the final repayment is made provided that interest had already been charged on the loan for at least six months. The responsibility for payment of interest rests solely on the insurant. A notice regarding the amount to be paid as half yearly interest will be issued to the insurant only when there is a change in the amount payable as interest as a result of payment of a part of the principal. But the plea of non-receipt of such a notice cannot in any circumstances be accepted for non-payment of interest. If the interest is not paid on the due date, it will be added to the outstanding amount of loan and usual interest charged thereon. In the event of any three defaults in the payment of half yearly interest, the Postmaster General/ Head of Division, will be entitled to surrender the policy and to apply the surrender value thereof in payment of the said loan and interest. The balance, if any, of such surrender value if adequate for a paid up value of Rs. 10,000/- shall be utilized for the issue of such a paid up policy; otherwise the amount will be paid in cash to policy holder entitled thereto.

The outstanding balance of the loan with interest will be recovered from the value of the policy at the time of settlement of the claim. Interest on a loan will accrue up to the last date of the month in which the policy becomes a claim either by maturity or by surrender, provided that interest for at least six months had been charged on the loan.

59. (4). On the very date the amount of loan is finally repaid, the Postmaster concerned, shall send intimation to the Postmaster General/ Head of Division giving particulars as to the amount repaid, the date of repayment, the name of the insurant and the policy number and loan account. The insurant is advised in his own interest to send a separate intimation of final repayment of his loan to the Postmaster General/ Head of Division. On receipt of the above intimation, interest chargeable up to the end of the month of final repayment (provided that interest on the loan has already been charged for at least one half year) shall be calculated by the Postmaster General/ Head of Division and communicated to the insurant under registered post. The insurant shall be required to pay the amount of interest at any Head or Sub Post office within 21 days from the date of issue of intimation by the Postmaster General/ Head of Division.

59. (5). If the insured person wants to surrender the policy before repayment of the loan, he should apply to the Postmaster General/ Head of Division, with whom his policy is kept as security, to surrender the policy, adjust the surrender value thereof to the balance of loan and interest due and to pay him the balance, if any. On receipt of this application, the Postmaster General/ Head of Division will take necessary steps to stop recovery of further premium and to surrender the policy.

60. Where in respect of any policy maturing for payment, the Postmaster General/ Head of Division is of opinion that by reason of conflicting claims to or insufficiency of proof of title to the amount secured thereby or for any other adequate reason it is impossible otherwise for him to obtain a satisfactory discharge for the payment of such amount, he may take steps, after the expiry of the period prescribed in Section 47 of the Insurance Act, 1938, to apply to the Court having jurisdiction for permission to pay the amount into it in accordance with the provisions of Section 47 of the said Act. If the court allows the application, payment shall be made into the court. The Postmaster General/ Head of Division shall also transmit every notice of claim received after the making of the application to the court in order to enable the court to dispose of claims relating to the amount. Upon such payment the fund is discharged of liability in respect of the policy.



**61. Suicide Cases:**

<sup>50</sup>In the event of an insured person committing suicide any time after the date of acceptance of the policy (whether sane or insane at that time) and after having paid his first premium in full but not after expiry of two years from such date of acceptance or payment of first premium which ever is later, the policy shall become void and no claim whatsoever shall be entertained by the department by the virtue of the said policy except to the extent of the bonafide beneficial interest which any person ( other than the life assured) shall have acquired in the said policy for valuable consideration for which one calendar months notice, before the death of insured person, should have been given to the Director General of Posts or Postmaster General concerned on his behalf; and provided further that sufficient proof shall have to be produced in regard to having acquired such interest in the policy to the satisfaction of the Director General of Posts or Postmaster General.

**62 Settlement of death claim cases of murder of the insured committed by the nominee(s) or any legal representative(s)**

If the policy holder is murdered by any of the legal representative/nominee(s), the policy money shall not be paid to the murderer even if he/she is acquitted by the competent court of law by giving him/her the benefit of doubt. If person(s), who in the event of death of policy holder, is/are eligible to receive the policy money under Post Office Life Insurance Rules 2011, is/are charged with the offence of murdering the policy holder or for abetting the commission of such an offence, the claim of such person(s), including other eligible member or members of the family to receive the policy money, shall remain suspended till the conclusion of the criminal proceedings instituted against him/them. If on the conclusion of the criminal proceedings, the person(s) concerned is/are convicted for the murder or abetting the murder of the policy holder or acquitted thereof by giving benefit of doubt, such person(s) shall be debarred from receiving the policy money which shall be payable to other eligible legal heir(s) of the policy holder.<sup>38</sup>



## Appendix

### Procedure to be followed in connection with proposals submitted by Defence Service Personnel

1. Any member of the Defence Services wishing to insure his life, or to purchase an endowment assurance policy, may obtain the prescribed proposal form from a head post office(1 CBPO / 2 CBPO) or sub-post office (FPOs under 1 CBPO OR 2 CBPO) or from his unit (Parent Unit or Postal Unit serving Parent unit), ship establishment or office. As far as possible he should answer the questions in the proposal form in his own handwriting as he is responsible for the answers to questions available in the Proposal form.. He should submit his proposal to his “immediate superior”, i.e.,
  - (a) in the case of proposers belonging to the Indian Army and serving with units the Officer Commanding or Officer answering in his place.
  - (b) in the case of proposers belonging to the Indian Navy the Commanding officer of the ship or establishment;
  - (c) In the case of proposers belonging to the Indian Air Force, the unit or station commander.
  - (d) in the case of proposers belonging to the Indian Army, Navy, Air force not serving with units the immediate superior officer of Commissioned or Gazetted rank;
2. The “immediate superior” will read and explain the proposal to the proposer and obtain his signature (left hand thumb impression, if the proposer is unable to sign) in his presence and sign the prescribed certificate on the proposal form.
3. The “immediate superior” should prepare in his own office, if possible or obtain from the officer maintaining the records a certified copy of descriptive particulars of the proposer contained in their official records.
4. The “immediate superior” should obtain the proposer’s signature (left hand thumb impression, if the proposer is unable to sign) on this certified copy in his own presence and then attach it to the proposal.
5. The certified copy of descriptive particulars should contain the following information:
  - (a) Full name
  - (b) Father’s name
  - (c) Place of birth
  - (d) Date of birth
  - (e) Date of enrolment
  - (f) Identification mark (at least two)
  - (g) Rank/rating; parent arm/corps; present unit/ship appointment personnel/official number.
  - (h) If commissioned, type of commission i.e., permanent, short service, extended service etc.
  - (i) Particulars of the officer maintaining the proposer’s pay accounts.
  - (j) Particulars of the officer who will accept debit for the premium recoverable from the insured as well as from the Defence Services Estimates.





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6. In the case of members of Defence Services the “immediate superior” will also discharge the following duties.

(a) Will carefully scrutinize the proposal and the certified copy of descriptive particulars with special reference to the admissibility of the terms of the proposal, and if it is found that the life of the proposer was on any previous occasion rejected on medical grounds, either by the post office life insurance fund or by private insurance company or the proposer had ever been found medically unfit for any particular type of duties, the medical opinion should if possible be obtained and forwarded with the proposal form to the medical officer to whom the proposer is sent for medical examination; otherwise the attention of the medical officer should be specially drawn to the entries to that effect made against the relevant questions by the proposer in the proposal form.

(b) Should compare the entry regarding the proposer’s age as entered in the proposal form with the corresponding entry in the certified copy of descriptive particulars and if there is any discrepancy he should take immediate steps to have it reconciled. If necessary he will obtain from other officials of the branch to which the proposer belongs or from the officials of any other branch or department under whom the proposer may have served or from the persons named in the proposal or, from any other source, information regarding the proposer’s age.

### 7. EXEMPTION OF DEFENCE PERSONNEL FROM MEDICAL EXAMINATION

Defence personnel who are in medical category ‘SHAPE-1 for Officers and ‘AYE’ for JCOs/NCOs/OR, will be exempted from Medical Examinations while submitting the proposal for taking Postal Life Insurance Policy. Full claims for sum assured along with the vested bonus will be admissible to the claimant(s) if a policy becomes claim after its acceptance. Suicidal cases will however be governed by the existing Post Office Life Insurance Rules - 2011.

### 8. EXEMPTION OF ASSAM RIFLES AND PARA MILITARY FORCES PERSONEL FROM MEDICAL EXAMINATION

Assam Rifles and Para Military personnel who are in medical category ‘SHAPE-1 for Officers and ‘AYE’ for JCOs/NCOs/OR or equivalent, will be exempted from Medical Examinations while submitting the proposal for taking Postal Life Insurance Policy. Full claims for sum assured along with the vested bonus will be admissible to the claimant(s) if a policy becomes claim after its acceptance. Suicidal cases will however be governed by the existing Post Office Life Insurance Rules - 2011.

9. The defence civilian proponents shall be subject to usual medical examination by the respective Medical Officers as prescribed in “Post Office Life Insurance Rules 2011”. All other terms and conditions of medical examination shall also apply as mentioned in the concerned rules of “Post Office Life Insurance Rules 2011”.

10. Marketing staff: Every APS personnel are eligible to work as marketing staff for procurement of PLI Business and act as ‘Agent’ for the purpose. He will procure PLI business either directly from personnel of defence, Assam Rifles/ Para Military or from units in bulk. He will collect the proposal forms and carryout the prescribed checks before submitting to the Officer Commanding Postal Units who will hithertofore called as ‘Field Guide’.

### 11. Scrutiny of PLI Proposals & submission of invoices by Postal Units (Field Guides)

Field guides shall scrutinize the proposal forms and affix his signature in each form in token of having checked them keeping in view their eligibility conditions and forward them to Addl D G of APS (PLI Cell) for acceptance and issue of policy documents or otherwise.



12. Action at O/O Addl. D G of APS

Thoroughly check the proposal form and return the forms wherever wanting of signature and non availability of supporting documents if any. Necessary follow up action, if proposal is fit for acceptance, may be taken by issue of acceptance letter, policy documents, etc.

13. Arrangement for recovery of PLI premium/premia from the PAO concerned in respect of Pay recovery policy

A consolidated transcription sheet is prepared PAO wise and sent to PAO concerned where ever necessary for recovery of premium/premia from the Individual Running Ledger Account/Monthly Pay account of the proponents concerned.

14. Importance of first premium payment

Where the proposer has authorized the officer responsible for the maintenance of his pay and accounts to recover the first premium by deduction from his pay & allowances, this should not be left over to be made in the beginning of a month. On receipt of the letter of authority from the proposer through the Addl. D G of APS(PLI Cell), the officer responsible for maintaining the pay and accounts should, where necessary, treat the amount of the first premium as an advance of pay given to the proposer and simultaneously show it as credited to Government by way of recovery of the first premium. The contract of insurance with the proposer will take effect from the date of acceptance of proposal as well as the payment of the first premium into a post office or into the imprest account of the ship or unit or in the case of recovery from pay from the date of debit to the Individual Running Ledger Account (IRLA) even though a corresponding credit is not afforded in the Government account on that day. The Postmaster (including base and field postmaster), the holder of the imprest account or the officer recovering the first premium from pay should send an immediate report in the prescribed form to the Addl. D G of APS as soon as first premium is paid. On receipt of the intimation of the payment of the first premium either from the Post office or from the imprest holder or from the officer maintaining the pay accounts, as the case may be, the Addl. D G of APS will arrange for the issue and delivery of the policy to the proponent direct or through training establishment concerned.. In all cases the officers maintaining the pay and accounts will be instructed by the Addl. D G of APS to recover the second and subsequent premium as a standing arrangement.

NOTE 1: Payment of the first premium should not be accepted by a Postmaster or holder of imprest account if he knows that the person tendering it is at the time is no longer eligible for admission to the benefits of the Post Office Insurance Fund. In similar circumstances the officer responsible for maintaining the pay and accounts should not effect recovery of the first premium from pay etc. In such a case intimation of the fact should be given to the Addl. D G of APS.

15. The PAOs concerned are required to send PLI recovery schedules for first premium and advance schedules for subsequent premia on quarterly basis for the quarter ending Feb, May, Aug and November of the year by Ist week of Dec, March, June and Sep of the year to DPLI, Kolkata with one copy to Addl. D G of APS. Addl DG of APS shall keep watch over timely receipt of the schedules from each PAO. The certified copies of schedules received from the DPLI, Kolkata shall be tallied with the copies of schedules received from the PAO concerned and the discrepancies, if any, shall be got reconciled.

16. The “Post Office Life Insurance Rules 2011” shall apply equally to PLI policies in APS except where specially mentioned.



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**GLOSSARY**

Sl No	Particulars of Gazette Notification	Subject
1.	Notification No 8 dated 19-25 February, 2006 (Part II Section-3 Sub Section – ii) included in S.O No 722, issued vide PLI Dte. letter No 26-3/2005-LI dated 06-01-2006.	Features of Children policy
2.	Notification No 30 dated 20-26 July, 2003 {( Part –II Section -3 Sub Section –ii)} included in S.O No 2046, issued vide PLI Dte. Letter No 26-2/2003 dated 01-07-2003.	Introduction of Agency system and commission rates.
3.	Notification No 1679 dated 20 October, 2009 {( Part-II Section -3 Sub Section (ii) } included in SO 2634(E), issued vide PLI Dte. Letter No 26-2/2009-LI dated 20 October, 2009.	Amendment to empanelment process and commission rates.
4.	Notification No 51 dated 18-24 December, 2010 (Part I Section I) issued vide PLI Dte. Letter No 32-1/93-LI dated 31-07-1997	Introduction of Joint Life Assurance.
5.	Notification No 148 dated 03 June, 2010 (Part I Section I), issued vide PLI Dte. Letter No 25-01/2010 dated 21 May, 2010.	Definition of marketing staff and appointing authority.
6.	Notification No 2 dated 08 January, 1994 (Part I Section I) issued vide PLI Dte. Letter No 12-2/93-LI dated 24 September 24, 1993. (Definition)	Definition of Period of grace.
7.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 11-3/84-LI dated 15 November, 1985.	Eligibility conditions for PLI cover. New clientele covered.
8.	Notification No 51 dated 18-24 December, 2010 (Part I Section I) issued under PLI Dte. Letter No 11-1/83-LI dated 1 <sup>st</sup> April, 1987. (Eligibility)	Eligibility conditions for PLI cover. New clientele covered.
9.	Notification No 51 dated 18-24 December, 2010 (Part I Section I) issued under PLI Dte. Letter No 26-57/88-LI dated 21 April, 1992. (Eligibility)	Eligibility conditions for PLI cover. New clientele covered.
10.	Notification No 15 dated 11 April, 1987 (Part I Section I) issued under PLI Dte. Letter No 11-1/83-LI dated 20 March, 1987.	Eligibility conditions for PLI cover. New clientele covered.
11.	Notification No 51 dated 18-24 December, 2010 (Part I Section I) issued under PLI Dte. Letter No 23-6/87-LI dated 07 September, 1987.	Limits of Sum Assured. Minimum and Maximum revised.
12.	Notification No 51 dated 18-24 December, 2010 (Part I Section I), issued under PLI Dte. Letter No 26-70/91-LI dated 07 January, 1994.	Limits of Sum Assured. Minimum and Maximum revised.
13.	Notification No 36 dated 31 August to 6 September, 2003 {(Part II Section -3 (ii))}, issued vide PLI Dte. Letter No 25-3/2003-LI dated 05 Aug , 2003.	Limits of Sum Assured. Minimum and Maximum revised.
14.	Notification No 23 dated 3-9 June, 2007 {(Part II Section (ii))} included in S.O 1632, issued vide PLI Dte. Letter No 25-3/2003-LI dated 30 April, 2007.	Limits of Sum Assured. Minimum and Maximum revised.
15.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 23-3/86-LI dated 08 October, 1987.	Amendment to premium table.



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16	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 23-6/87-LI dated 11 May, 1988.	Amendment to premium table.
17	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 23-6/87-LI dated 02 December, 1988.	Amendment to premium table.
18	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 23-6/87-LI dated 30 June, 1989.	Amendment to premium table.
19.	Notification No 36 dated 31 August to 6 September in S.O 2507, {(Part II Section 3 Sub section (ii))}, issued vide PLI Dte. Letter No 25-5/2003-LI dated 18 Aug , 2003.	Amendment to premium table.
20.	Notification No 15 dated 15 April, 1995 (Part I Section I), issued vide letter No 5-1/94-LI dated 15 March, 1995.	Introduction of RPLI.
21.	Notification No 23 dated 7 June, 2003 {( Part II Section 3 (ii))} included S.O 1595, issued under PLI Dte. Letter No 5-1/94-LI dated 05 May, 2003. (RPLI)	RPLI made regular
22.	Notification No 10 dated 29 Feb to 06 March , 2004 {( Part II, Section 3, Sub Section (ii))} including in S.O No 522, issued vide PLI Dte. Letter No 5-1/94-LI dated 9 January, 2004. (RPLI)	Maximum age increased to 55 years in RPLI
23.	Notification No 148 dated June 3, 2010 ( Part I section I), issued vide PLI Dte. Letter No 25-01/2010 dated 21 May, 2010. (RPLI)	Amendment in RPLI features regarding non-medical policy.
24.	Notification No 148 dated June 3, 2010 ( Part I section I), issued vide PLI Dte. Letter No 25-01/2010 dated 21 May, 2010. (RPLI)	Amendment in RPLI features relating to non-standard proof of age.
25.	Notification No 11 dated 11-17 March, 2007 in S.O 762 {(Part II Section 3 Sub Section (ii)), issued vide PLI Dte. Letter No 25-3/2003-LI dated 23 February, 2007.	Limit of RPLI increased to Rs 3lacs.
26.	Notification No 15 dated 15 April, 1995 (Part I Section I), issued vide letter No 5-1/94-LI dated March, 1995.	Introduction of 10 year RPLI.
27.	Notification No 2 dated 8 January, 1994 ( Part I Section I) issued vide PLI Dte. Letter No 23-2/84-LI dated 17 November, 1993.	Introduction of Non Medical policies in PLI.
28.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 26-82/89-LI dated 20 August, 1997.	Handicap Person policy Features.
29.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 22-2/85-LI dated 19 November, 1985.	Status of M.O for medical examination of PLI/RPLI proponent.
30.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 22-2/85-LI dated -- May, 1985.	Status of M.O for medical examination of PLI/RPLI proponent.
31.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 22-2/85-LI dated November, 1992.	Status of M.O for medical examination of PLI/RPLI proponent.
32.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 22-2/85-LI dated 17 December,1997.	Status of M.O for medical examination of PLI/RPLI proponent.



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33.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 22-2/85-LI dated 11 May, 1999.	Status of M.O for medical examination of PLI/RPLI proponent.and Rate of Fees.
34.	Notification No 1 dated 30 December 2007 to 5 January 2008 in S.O No 13 {(Part II Section 3 (ii))}, issued vide PLI Dte. Letter No 22-2/85-LI dated 30 November, 2007.	Status of M.O for medical examination of PLI/RPLI proponent.
35.	Notification No 31 dated 30 July to 05 August, 2006 in S.O 2980 (Part-II Section 3(ii), issued vide PLI Dte. Letter No 22-2/85-LI dated 10 July, 2006.	Med. Fees rates for examining PLI/RPLI proponent.
36.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 29-22/84-LI dated 3 April, 2000	Exemption of defence pers from Medical examination while purchasing PLI policy.
37.	Notification No 17 dated 18-24 April, 2004 in S.O 998{ (Part II Section 3(ii))issued vide PLI Dte. Letter No 29-22/99-LI dated3 March, 2004.	Exemption of Para military pers from Med. Examination while purchasing PLI policy.
38.	Notification No 23 dated 7 June, 2003 {( Part II Section 3 (ii))} included S.O 1596, issued under PLI Dte. Letter No 5-11/95-LI dated 05 May, 2003. (RPLI)	Amending in Nomination rule and addition of new rule for settlement of claim in murder cases.
39.	Notification No 148 dated June 3, 2010 ( Part I section I), issued vide PLI Dte. Letter No 25-01/2010 dated 21 May, 2010.	Nomination rule amendment regarding nomination to trust and settlement of murder cases.
40.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 19-90/87-LI dated Sep 1987.	Amendment regarding furnishing wrong information or suppression of factual information by proponent while taking policy.
41.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 12-2/93-LI dated 24 September, 1993.	Amendment to rule relating to deposit of subsequent premium and lapsing of policy.
42.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 23-7/85-LI dated 16 January, 1987.	Amendment to rule relating to payment of policy, surrender of policy and claims relating to policy holder dies in foreign country.
43.	Notification No 148 dated June 3, 2010 ( Part I section I), issued vide PLI Dte. Letter No 25-01/2010 dated 21 May, 2010.	Amendment to rule relating to commutation and surrender.



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44.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 19-275/87-LI dated 03 August , 1990.	Payment of interest for delayed payment in maturity and death cases.
45.	Notification No 2 dated 8 January, 1994 ( Part I Section I) issued vide PLI Dte. Letter No 23-1/92-LI dated 1 <sup>st</sup> December, 1993.	Lapsing of policy and revival.
46.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 23-1/92 dated 31 Dec 1996.	Lapsing of policy and revival
47.	Notification No 6 dated 08 February, 1997 (Part I Section I) issued vide PLI Dte. Letter No 23-1/92-LI dated 13 January, 1997.	Lapsing of policy and revival
48.	Notification No 148 dated June 3, 2010 ( Part I section I), issued vide PLI Dte. Letter No 25-01/2010 dated 21 May, 2010.	Lapsing of policy and revival..
49.	Notification No 148 dated June 3, 2010 ( Part I section I), issued vide PLI Dte. Letter No 25-01/2010 dated 21 May, 2010.	Rule relating to payment of bonus while settling loan cases.
50.	Notification No 51 dated 18-24 December, 2010 ( Part I Section I) issued vide PLI Dte. Letter No 9-62/93-LI dated 05 August, 1994.	Settlement of Suicide cases



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TABLE-1  
POSTAL LIFE INSURANCE

POST OFFICE INSURANCE FUND-PREMIUMS IN FORCE FROM THE 4th AUGUST-2003  
**WHOLE LIFE ASSURANCES**  
(MONTHLY PREMIUMS FOR AN ASSURANCE OF Rs.5000/-)

Age at Entry	Premium ceasing at the age of			Age at Entry
	55yrs	58 yrs	60 yrs	
19	8	7	7	19
20	8	8	7	20
21	8	8	8	21
22	8	8	8	22
23	9	8	8	23
24	9	9	8	24
25	9	9	9	25
26	9	9	9	26
27	10	9	9	27
28	10	10	9	28
29	11	10	10	29
30	11	11	10	30
31	12	11	11	31
32	12	12	11	32
33	13	12	12	33
34	14	13	12	34
35	14	13	13	35
36	15	14	13	36
37	16	15	14	37
38	17	16	15	38
39	18	16	16	39
40	19	17	16	40
41	21	18	17	41
42	23	20	18	42
43	25	21	19	43
44	27	23	21	44
45	30	24	22	45
46	33	27	24	46
47	38	29	26	47
48	42	32	28	48
49	49	35	30	49
50	59	40	33	50
51		49	41	51
52		57	46	52
53		67	52	53
54			59	54
55			70	55



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TABLE-II  
**POSTAL LIFE INSURANCE**  
 POST OFFICE INSURANCE FUND- PREMIUMS IN FORCE FROM THE 4<sup>th</sup> AUGUST -2003  
**ENDOWMENT ASSURANCES**  
 (MONTHLY PREMIUMS FOR AN ASSURANCE OF Rs.5000/-)

Age at Entry	Maturity Age							Age at Entry
	35	40	45	50	55	58	60	
19	26	19	15	12	10	9	9	19
20	27	20	16	13	10	10	9	20
21	29	21	16	13	11	10	9	21
22	32	22	17	14	11	10	10	22
23	35	24	18	14	12	10	10	23
24	38	26	19	15	12	11	10	24
25	42	27	20	16	13	11	11	25
26	47	29	21	16	13	12	11	26
27	53	32	22	17	14	12	12	27
28	61	35	24	18	14	13	12	28
29	72	38	26	19	15	13	13	29
30	86	42	28	20	16	14	13	30
31		47	30	21	17	15	14	31
32		53	32	23	17	15	14	32
33		61	35	24	18	16	15	33
34		72	38	26	19	17	15	34
35		86	42	28	20	18	16	35
36			47	30	22	19	17	36
37			53	32	23	20	18	37
38			61	35	25	21	19	38
39			72	39	26	22	20	39
40			87	43	28	23	21	40
41				48	30	25	22	41
42				54	33	27	24	42
43				62	36	29	25	43
44				72	39	31	27	44
45				87	43	33	29	45
46					48	36	31	46
47					55	40	34	47
48					63	44	37	48
49					73	49	40	49
50					88	55	44	50
51						65	52	51
52						75	59	52
53						89	66	53
54							76	54
55							90	55





## How to Grow Money – Part II

**TABLE-III**  
**POSTAL LIFE INSURANCE**  
**PREMIUM TABLE**  
**Convertible While Life Assurance**

Monthly Premium table for an assurance of Rs 5000/- Payment at death with option to Convert the policy at the end of 5 years from the commencement, in to an Endowment Assurance maturing at the specified age

Age at entry	Monthly Premium Payable for the first 5Years and thereafter if option is not exercised but ceasing at the age of 60 (In Rs)	Monthly Premium Payable after the first 5 Years if option is not exercised to convert the policy in to Endowment Assurance maturing at the age 50, 55 or 58 Years (Premium in Rs)		
		50 Yr	55 Yrs	58 Yrs
19	7	14	11	10
20	7	15	11	11
21	8	15	12	11
22	8	16	12	11
23	8	16	13	11
24	8	18	13	12
25	9	19	15	12
26	9	19	15	13
27	9	21	16	13
28	9	22	16	15
29	10	23	17	15
30	10	25	19	16
31	11	26	20	17
32	11	30	20	17
33	12	31	21	18
34	12	35	22	19
35	13	39	24	20
36	13	43	27	22
37	14	47	28	23
38	15	54	31	24
39	16	64	33	25
40	16	77	36	27
41	17	96	40	30
42	18	126	46	33
43	19	188	52	36
44	21	364	58	39
45	22	-	69	42
46	24	-	85	47
47	26	-	113	55
48	28	-	166	64
49	30	-	319	78
50	33	-	-	99



## How to Grow Money – Part II

### ANTICIPATED ENDOWMENT ASSURANCE

#### POSTAL LIFE INSURANCE

Monthly premium payable for an assurance of Rs.5000/-

Age at Entry	15 Years Term Policy Rs.	Age at Entry	20 Years Term Policy Rs.
19 to 36 yrs.	Rs.33/-	19 to 33 yrs.	Rs.25/-
37 to 42 yrs.	Rs.34/-	37 to 39 yrs.	Rs.26/-
43 to 45 yrs.	Rs.35/-	40 yrs.	Rs.27/-

TABLE-V  
POSTAL LIFE INSURANCE

Monthly premiums per Rs 10,000 sum Assured for Yugal Surksha.

Equivalent ages next Birthday at commencement	Terms of Joint Life Endowment Assurance															
	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
21.	191	159	136	118	104	93	84	77	70	64	59	55	51	48	45	42
22.	191	159	136	118	104	93	84	77	70	64	59	55	51	48	45	42
23.	191	159	136	118	104	93	84	77	70	64	59	55	51	48	45	42
24.	191	159	136	118	104	93	84	77	70	64	59	55	51	48	45	42
25.	191	159	136	118	104	93	84	77	70	64	60	55	51	48	45	42
26.	191	159	136	118	104	93	84	77	70	64	60	55	51	48	45	42
27.	191	159	136	118	104	93	84	77	70	65	60	55	52	48	45	42
28.	191	159	136	118	105	93	84	77	70	65	60	55	52	48	45	42
29.	191	159	136	118	105	94	84	77	70	65	60	56	52	48	45	43
30.	191	159	136	118	105	94	85	77	70	65	60	56	52	49	46	43
31.	191	159	136	118	105	94	85	77	71	65	60	56	52	49	46	43
32.	191	159	136	118	105	94	85	77	71	65	60	56	52	49	46	43
33.	191	159	136	119	105	94	85	77	71	65	61	56	53	49	46	44
34.	191	159	136	119	105	94	85	78	71	66	61	57	53	50	47	44
35.	191	159	136	119	105	94	85	78	71	66	61	57	53	50	47	44
36.	191	159	136	119	105	94	86	78	71	66	61	57	54	50	47	45
37.	191	159	136	119	106	95	86	78	72	66	62	58	54	51	48	45



## How to Grow Money – Part II

38.	191	160	137	119	106	95	86	79	72	67	62	58	54	51	48	46
39.	191	160	137	120	106	95	86	79	73	67	63	58	55	52	49	47
40.	192	160	137	120	106	96	87	79	73	68	63	59	56	52	50	47
41.	192	160	137	120	107	96	87	80	74	68	64	60	56	53	51	
42.	193	161	138	121	107	97	88	80	74	69	64	60	57	54		
43.	193	161	138	121	108	97	88	81	75	70	65	61	58			
44.	193	161	139	122	108	98	89	82	76	70	66	62				
45.	194	162	139	122	109	98	90	83	76	71	67					

The minimum sum proposed for assurance is Rs.20,000/-

The sums proposed for assurance shall be in multiples of Rs.10,000/-

The monthly premiums for sums assured over Rs.20,000/- shall be calculated on the pro-rata basis on the basis of month premiums for Rs.10,000/- as given in the table. A rebate of re.1/- on policies of sum assured of Rs.40,000/- and Re.1/- Rs.10,000/- sum assured in excess of Rs.40,000/- will be given.

## TABLE-VI POSTAL LIFE INSURANCE & RURAL POSTAL LIFE INSURANCE

CHILDREN ADD ON WITH PROFIT POLICY OF SUM ASSURED OF Rs.1000/-

AT ENTRY.....AGE AT MATURITY.....

	18	19	20	21	22	23	24	25
5	8.13	7.67	7.27	6.93	6.63	6.36	6.13	5.92
6	8.68	8.13	7.67	7.27	6.93	6.63	6.36	6.13
7	9.33	8.68	8.13	7.67	7.27	6.93	6.63	6.36
8	10.11	9.33	8.68	8.13	7.67	7.27	6.93	6.63
9	11.07	10.11	9.33	8.68	8.13	7.67	7.28	6.93
10	12.28	11.07	10.11	9.33	8.68	8.13	7.68	7.28
11	13.85	12.28	11.07	10.11	9.33	8.68	8.13	7.68
12	15.94	13.85	12.28	11.07	10.11	9.33	8.68	8.13
13	18.88	15.94	13.85	12.28	11.07	10.11	9.33	8.68
14		18.88	15.94	13.85	12.28	11.07	10.11	9.33
15			18.88	15.94	13.85	12.28	11.07	10.11
16				18.88	15.94	13.85	12.28	11.07
17					18.88	15.94	13.85	12.28
18						18.88	15.94	13.85
19							18.88	15.94
20								18.88



How to Grow Money – Part II

TABLE-VII -  
RURAL POSTAL LIFE INSURANCE

WHOLE LIFE ASSURANCE PLAN

MONTHLY PREMIUM PER RS.1000/- SUM ASSURED

AGE AT ENTRY	PREMIUM CEASING AT AGE OF			AGE AT ENTRY
	55 RS. P	58 RS. P	60 RS. P	
19	1.5	1.45	1.4	19
20	1.55	1.5	1.45	20
21	1.6	1.55	1.5	21
22	1.65	1.6	1.55	22
23	1.7	1.65	1.6	23
24	1.75	1.7	1.65	24
25	1.8	1.75	1.7	25
26	1.85	1.8	1.75	26
27	1.95	1.85	1.8	27
28	2.05	1.9	1.85	28
29	2.15	2	1.95	29
30	2.25	2.1	2.05	30
31	2.35	2.2	2.1	31
32	2.45	2.3	2.2	32
33	2.55	2.4	2.3	33
34	2.7	2.5	2.4	34
35	2.85	2.65	2.5	35
36	3	2.8	2.65	36
37	3.2	2.95	2.8	37
38	3.4	3.1	2.95	38
39	3.6	3.25	3.1	39
40	3.85	3.45	3.25	40
41	4.15	3.65	3.45	41
42	4.5	3.9	3.65	42
43	4.9	4.2	3.85	43
44	5.35	4.5	4.1	44
45	5.9	4.85	4.4	45
46	6.55	5.3	4.75	46
47	7.35	5.8	5.15	47
48	8.4	6.35	5.55	48
49	9.8	7.05	6.05	49
50	11.75	7.9	6.65	50
51		9.8	8.27	51
52		11.3	9.21	52
53		13.34	10.37	53
54			11.89	54
55			13.98	55



How to Grow Money – Part II

TABLE-VII  
RURAL POSTAL LIFE INSURANCE

WHOLE LIFE ASSURANCE PLAN

QUARTERLY PREMIUM PER RS.1000/- SUM ASSURED

AGE AT ENTRY	PREMIUM CEASING AT AGE OF						AGE AT ENTRY
	55		58		60		
	RS.	P	RS.	P	RS.	P	
19	4.35		4.2		4.05		19
20	4.5		4.35		4.2		20
21	4.65		4.5		4.35		21
22	4.8		4.65		4.5		22
23	4.95		4.8		4.65		23
24	5.1		4.95		4.8		24
25	5.25		5.1		4.95		25
26	5.4		5.25		5.1		26
27	5.7		5.4		5.25		27
28	6		5.55		5.4		28
29	6.3		5.85		5.7		29
30	6.6		6.15		6		30
31	6.9		6.45		6.15		31
32	7.2		6.75		6.45		32
33	7.5		7.05		6.75		33
34	7.95		7.35		7.05		34
35	8.4		7.8		7.35		35
36	8.85		8.25		7.8		36
37	9.45		8.7		8.25		37
38	10.05		9.15		8.7		38
39	10.65		9.6		9.15		39
40	11.4		10.2		9.6		40
41	12.3		10.8		10.2		41
42	13.35		11.55		10.8		42
43	14.55		12.45		11.4		43
44	15.9		13.35		12.15		44
45	17.55		14.4		13.05		45
46	19.5		15.69		14.06		46
47	21.76		17.17		15.24		47
48	24.86		18.8		16.43		48
49	29		20.87		17.91		49
50	34.78		23.38		19.68		50
51			29.01		24.48		51
52			33.45		27.26		52
53			39.49		30.7		53
54					35.19		54
55					41.38		55



How to Grow Money – Part II

TABLE-VII  
RURAL POSTAL LIFE INSURANCE

WHOLE LIFE ASSURANCE PLAN

HALF YEARLY PREMIUM PER RS.1000/- SUM ASSURED

AGE AT ENTRY	PREMIUM CEASING AT AGE OF			AGE AT ENTRY
	55 RS. P	58 RS. P	60 RS. P	
19	8.45	8.15	7.85	19
20	8.75	8.45	8.15	20
21	9.05	8.75	8.45	21
22	9.35	9.05	8.75	22
23	9.65	9.35	9.05	23
24	9.95	9.65	9.35	24
25	10.25	9.95	9.65	25
26	10.55	10.25	9.95	26
27	11.15	10.55	10.25	27
28	11.75	10.85	10.55	28
29	12.35	11.45	11.15	29
30	12.95	12.05	11.75	30
31	13.55	12.65	12.05	31
32	14.15	13.25	12.65	32
33	14.75	13.85	13.25	33
34	15.65	14.45	13.85	34
35	16.55	15.35	14.45	35
36	17.45	16.25	15.35	36
37	18.65	17.15	16.25	37
38	19.85	18.05	17.15	38
39	21.05	18.95	18.05	39
40	22.55	20.15	18.95	40
41	24.35	21.35	20.15	41
42	26.45	22.85	21.35	42
43	28.85	24.65	22.55	43
44	31.55	26.45	24.05	44
45	34.85	28.55	25.85	45
46	38.75	31.06	27.84	46
47	43.07	33.99	30.18	47
48	49.22	37.21	32.52	48
49	57.43	41.31	35.45	49
50	68.86	46.29	38.97	50
51		57.43	48.46	51
52		66.22	53.97	52
53		78.17	60.77	53
54			69.68	54
55			81.92	55



How to Grow Money – Part II

TABLE-VII  
RURAL POSTAL LIFE INSURANCE

WHOLE LIFE ASSURANCE PLAN

ANNUAL PREMIUM PER RS.1000/- SUM ASSURED

AGE AT ENTRY	PREMIUM CEASING AT AGE OF			AGE AT ENTRY
	55 Rs .P	58 RS. P	60 RS. P	
19	15.95	15.35	14.75	19
20	16.55	15.95	15.35	20
21	17.15	16.55	15.95	21
22	17.75	17.15	16.55	22
23	18.35	17.75	17.15	23
24	18.95	18.35	17.75	24
25	19.55	18.95	18.35	25
26	20.15	19.55	18.95	26
27	21.35	20.15	19.55	27
28	22.55	20.75	20.15	28
29	23.75	21.95	21.35	29
30	24.95	23.15	22.55	30
31	26.15	24.35	23.15	31
32	27.35	25.55	24.35	32
33	28.55	26.75	25.55	33
34	30.35	27.95	26.75	34
35	32.15	29.75	27.95	35
36	33.95	32.26	29.75	36
37	36.35	33.35	31.55	37
38	38.75	35.15	33.35	38
39	41.15	36.95	35.15	39
40	44.15	39.35	36.95	40
41	47.75	41.75	39.35	41
42	51.95	44.75	41.75	42
43	56.75	48.35	44.15	43
44	62.15	51.95	47.15	44
45	68.75	56.15	50.75	45
46	75.46	61.06	54.72	46
47	84.67	66.82	59.33	47
48	96.77	73.15	63.94	48
49	112.9	81.22	69.7	49
50	135.36	91.01	76.61	50
51		112.9	95.27	51
52		130.18	106.1	52
53		153.68	119.46	53
54			136.97	54
55			161.05	55



How to Grow Money – Part II

TABLE-VIII-

**RURAL POSTAL LIFE INSURANCE**

**CONVERTIBLE WHOLE LIFE ASSURANCE PLAN**

**MONTHLY PREMIUM PER RS. 1000/- SUM ASSURED**

AGE AT ENTRY	Monthly Premiums Payable for the First 5 Years and thereafter if option is not exercised but6 ceasing at age 60 years	Monthly Premiums Payable after the first5 Years if option is exercised to convert the policy into endowment assurance maturing at age				AGE AT ENTRY
		50	55	58	60	
1	2	3	4	5	6	
19	1.4	2.8	2.3	2.05	1.95	19
20	1.45	2.95	2.4	2.15	2	20
21	1.5	3.1	2.5	2.25	2.1	21
22	1.55	3.25	2.6	2.35	2.2	22
23	1.6	3.4	2.7	2.45	2.3	23
24	1.65	3.6	2.85	2.55	2.4	24
25	1.7	3.8	3	2.65	2.5	25
26	1.75	4	3.15	2.75	2.6	26
27	1.8	4.25	3.3	2.9	2.7	27
28	1.85	4.5	3.45	3.05	2.8	28
29	1.95	4.8	3.65	3.2	2.9	29
30	2.05	5.15	3.85	3.35	3.05	30
31	2.1	5.5	4.05	3.5	3.2	31
32	2.2	5.95	4.3	3.7	3.35	32
33	2.3	6.45	4.6	3.9	3.55	33
34	2.4	7	4.9	4.15	3.75	34
35	2.5	7.7	5.2	4.4	3.95	35
36	2.65	8.5	5.6	4.65	4.2	36
37	2.8	9.5	6.05	4.95	4.45	37
38	2.95	10.75	6.55	5.3	4.7	38
39	3.1	12.35	7.15	5.7	5	39
40	3.25	14.45	7.8	6.15	5.35	40
41	3.45		8.85	6.65	5.75	41
42	3.65		9.65	7.25	6.2	42
43	3.85		10.9	7.95	6.75	43
44	4.1		12.5	8.75	7.3	44
45	4.4		14.6	9.75	8	45





TABLE-VIII  
RURAL POSTAL LIFE INSURANCE  
CONVERTIBLE WHOLE LIFE ASSURANCE PLAN  
QUARTERLY PREMIUM PER RS.1000/- SUM ASSURED

AGE AT ENTRY	Monthly Premiums Payable for the First 5 Years and thereafter if option is not exercised but ceasing at Age 60 Years	Monthly Premiums Payable after the first 5 Years if option is exercised to convert the policy into endowment assurance maturing at age				AGE AT ENTRY
		50	55	58	60	
1	2	3	4	5	6	
19	4.05	8.25	6.75	6	5.7	19
20	4.2	8.7	7.05	6.3	5.85	20
21	4.35	9.15	7.35	6.6	6.15	21
22	4.5	9.6	7.65	6.9	6.45	22
23	4.65	10.05	7.95	7.2	6.75	23
24	4.8	10.65	8.4	7.5	7.05	24
25	4.95	11.25	8.85	7.8	7.35	25
26	5.1	11.85	9.3	8.1	7.65	26
27	5.25	12.6	9.75	8.55	7.95	27
28	5.4	13.35	10.2	9	8.25	28
29	5.7	14.25	10.8	9.45	8.55	29
30	6	15.3	11.4	9.9	9	30
31	6.15	16.35	12	10.35	9.45	31
32	6.45	17.7	12.75	10.95	9.9	32
33	6.75	19.2	13.65	11.55	10.5	33
34	7.05	20.85	14.55	12.3	11.1	34
35	7.35	22.95	15.45	13.05	11.7	35
36	7.8	25.35	16.65	13.8	12.45	36
37	8.25	28.35	18	14.7	13.2	37
38	8.7	32.1	19.5	15.75	13.95	38
39	9.15	36.9	21.3	16.95	14.85	39
40	9.6	43.2	23.25	18.3	14.9	40
41	10.2		25.8	19.8	17.1	41
42	10.8		28.8	21.6	18.45	42
43	11.4		32.55	23.7	20.1	43
44	12.15		37.35	26.1	21.75	44
45	13.05		43.65	29.1	23.85	45



TABLE-VIII  
RURAL POSTAL LIFE INSURANCE

CONVERTIBLE WHOLE LIFE ASSURANCE PLAN

HALF YEARLY PREMIUM PER RS.1000/- SUM ASSURED

AGE AT ENTRY	Monthly Premiums Payable for the First 5 Years and thereafter if option is not exercised but ceasing at Age 60 Years	Monthly Premiums Payable after the first 5 Years if option is exercised to convert the policy into endowment assurance maturing at age				AGE AT ENTRY
		50	55	58	60	
1	2	3	4	5	6	
19	7.85	16.25	13.25	11.75	11.15	19
20	8.15	17.15	13.85	12.35	11.45	20
21	8.45	18.05	14.45	12.95	12.05	21
22	8.75	18.95	15.05	13.55	12.65	22
23	9.05	19.85	15.65	14.15	13.25	23
24	9.35	21.05	16.55	14.75	13.85	24
25	9.65	22.25	17.45	15.35	14.45	25
26	9.95	23.45	18.35	15.95	15.05	26
27	10.25	24.95	19.25	16.85	15.65	27
28	10.55	26.45	20.15	17.75	16.25	28
29	11.15	28.25	21.35	18.65	16.85	29
30	11.75	30.25	22.55	19.55	17.75	30
31	12.05	32.45	23.75	20.45	18.65	31
32	12.65	35.15	25.25	21.65	19.55	32
33	13.25	38.15	27.05	22.85	20.75	33
34	13.85	41.45	28.85	24.35	21.95	34
35	14.45	45.65	30.65	25.85	23.15	35
36	15.35	50.45	33.05	27.35	24.65	36
37	16.25	56.45	35.75	29.15	26.15	37
38	17.15	63.95	38.75	31.25	27.65	38
39	18.05	73.55	42.35	33.95	29.45	39
40	18.95	86.15	46.25	36.35	31.55	40
41	20.15		51.35	39.35	33.95	41
42	21.35		57.35	42.95	36.65	42
43	22.55		64.85	47.15	39.95	43
44	24.05		74.45	51.95	43.25	44
45	25.85		87.05	57.95	47.45	45



TABLE-VIII  
**RURAL POSTAL LIFE INSURANCE**  
**CONVERTIBLE WHOLE LIFE ASSURANCE PLAN**  
 ANNUAL PREMIUM PER RS.1000/- SUM ASSURED

AGE AT ENTRY	Monthly premiums payable for the first 5 years and thereafter it option is not exercised but ceasing at Age 60 Years	Monthly premiums payable after the First 5 years if option is exercised to convert the policy into endowment assurance maturing at age				AGE AT ENTRY
		50	55	58	60	
1	2	3	4	5	6	
19	14.75	31.55	25.55	22.55	21.35	19
20	15.35	33.35	26.75	23.75	21.95	20
21	15.95	35.15	27.95	24.95	23.15	21
22	16.55	36.95	29.15	26.15	24.35	22
23	17.15	38.75	30.35	27.35	25.55	23
24	17.75	41.15	32.15	28.55	26.75	24
25	18.35	43.55	33.95	29.75	27.95	25
26	18.95	45.95	35.75	30.95	29.15	26
27	19.55	48.95	37.55	32.75	30.35	27
28	20.15	51.95	39.35	34.55	31.55	28
29	21.35	55.55	41.75	36.55	32.75	29
30	22.55	59.75	44.15	38.15	34.55	30
31	23.15	63.95	46.55	39.95	36.35	31
32	24.35	69.35	49.55	42.35	38.15	32
33	25.55	75.35	53.15	44.75	40.55	33
34	26.75	81.95	56.75	47.75	42.95	34
35	27.95	90.35	60.35	50.75	45.35	35
36	29.75	99.95	65.15	53.75	48.35	36
37	31.55	111.95	70.55	57.35	51.35	37
38	33.35	126.95	76.55	61.55	54.35	38
39	35.15	146.00	83.75	66.35	57.95	39
40	36.95	171.35	91.55	71.75	62.15	40
41	39.35		101.75	77.75	66.95	41
42	41.75		113.75	84.95	72.35	42
43	44.15		128.75	93.35	78.95	43
44	47.15		147.95	102.95	85.55	44
45	50.75		173.15	114.95	93.55	45



How to Grow Money – Part II

TABLE-IX  
RURAL POSTAL LIFE INSURANCE

ENDOWMENT LIFE ASSURANCE PLAN

MONTHLY PREMIUM PER RS.1000/- SUM ASSURED

AGE AT ENTRY	PREMIUM CEASING AT AGE OF							AGE AT ENTRY
	35 RS. P	40 RS. P	45 RS. P	50 RS. P	55 RS. P	58 RS P	60 RS. P	
19	5.1	3.75	2.95	2.4	2	1.85	1.75	19
20	5.45	3.95	3.1	2.5	2.05	1.9	1.8	20
21	5.85	4.2	3.25	2.6	2.1	1.95	1.85	21
22	6.35	4.45	3.4	2.7	2.2	2	1.9	22
23	6.95	4.75	3.55	2.8	2.3	2.05	1.95	23
24	7.6	5.1	3.75	2.95	2.4	2.15	2	24
25	8.4	5.45	3.95	3.1	2.5	2.25	2.1	25
26	9.4	5.85	4.2	3.25	2.6	2.35	2.2	26
27	10.65	6.35	4.45	3.4	2.7	2.45	2.3	27
28	12.2	6.95	4.75	3.6	2.85	2.55	2.4	28
29	14.3	7.6	5.1	3.8	3	2.65	2.5	29
30	17.25	8.4	5.5	4	3.15	2.75	2.6	30
31		9.4	5.9	4.25	3.3	2.9	2.7	31
32		10.65	6.4	4.5	3.45	3.05	2.8	32
33		12.2	6.95	4.8	3.65	3.2	2.9	33
34		14.3	7.65	5.15	3.85	3.35	3.05	34
35		17.25	8.45	5.5	4.05	3.5	3.2	35
36			9.45	5.95	4.3	3.7	3.35	36
37			10.65	6.45	4.6	3.9	3.55	37
38			12.25	7	4.9	4.15	3.75	38
39			14.35	7.7	5.2	4.4	3.95	39
40			17.3	8.5	5.6	4.65	4.2	40
41				9.5	6.05	4.95	4.45	41
42				10.75	6.55	5.3	4.7	42
43				12.35	7.15	5.7	5	43
44				14.45	7.8	6.15	5.35	44
45				17.4	8.65	6.65	5.75	45
46					9.65	7.25	6.2	46
47					10.9	7.95	6.75	47
48					12.5	8.75	7.3	48
49					14.6	9.75	8	49
50					17.55	11	8.85	50
51						13.06	10.49	51
52						15.07	11.71	52
53						17.84	13.24	53
54							15.25	54
55							18.01	55



How to Grow Money – Part II

TABLE-IX  
RURAL POSTAL LIFE INSURANCE

ENDOWMENT LIFE ASSURANCE PLAN

QUARTERLY PREMIUM PER RS.1000/- SUM ASSURED

PREMIUM CEASING AT AGE OF

AGE AT ENTRY	35 RS. P	40 RS. P	45 RS. P	50 RS. P	55 RS. P	58 RS. P	60 RS. P	AGE AT ENTRY
19	15.15	11.1	8.7	7.05	5.85	5.4	5.1	19
20	16.2	11.7	9.15	7.35	6.00	5.55	5.25	20
21	17.4	12.45	9.6	7.65	6.15	5.7	5.4	21
22	18.9	13.2	10.05	7.95	6.45	5.85	5.55	22
23	20.7	14.1	10.5	8.25	6.75	6.00	5.7	23
24	22.65	15.15	11.1	8.7	7.05	6.3	5.85	24
25	25.05	16.2	11.7	9.15	7.35	6.6	6.15	25
26	28.05	17.4	12.45	9.6	7.65	6.9	6.45	26
27	31.8	18.9	13.2	10.05	7.95	7.2	6.75	27
28	36.45	20.7	14.1	10.65	8.4	7.5	7.05	28
29	42.75	22.65	15.15	11.25	8.85	7.8	7.35	29
30	51.6	25.05	16.2	11.85	9.3	8.1	7.65	30
31		28.05	17.55	12.6	9.75	8.55	7.95	31
32		31.8	19.05	13.35	10.2	9.00	8.25	32
33		36.45	20.7	14.25	10.8	9.45	8.55	33
34		42.75	22.8	15.3	11.4	9.9	9.00	34
35		51.6	25.2	16.35	12.00	10.35	9.45	35
36			28.2	17.7	12.75	10.95	9.9	36
37			31.8	19.2	13.65	11.55	10.5	37
38			36.6	20.85	14.55	12.3	11.1	38
39			42.9	22.95	15.45	13.05	11.7	39
40			51.75	25.35	16.65	13.8	12.45	40
41				28.35	18.00	14.7	13.2	41
42				32.1	19.5	15.75	13.95	42
43				36.9	21.3	16.95	14.85	43
44				43.2	23.25	18.3	15.9	44
45				52.05	25.8	19.8	17.1	45
46					28.56	21.46	18.35	46
47					32.26	23.53	19.98	47
48					37.00	25.9	21.61	48
49					43.22	28.86	23.68	49
50					51.95	32.56	26.2	50
51						38.66	31.05	51
52						44.61	34.66	52
53						52.81	39.19	53
54							45.14	54
55							53.31	55



## How to Grow Money – Part II

TABLE-IX  
RURAL POSTAL LIFE INSURANCE

### ENDOWMENT LIFE ASSURANCE PLAN

HALF YEARLY PREMIUM PER RS.1000/- SUM ASSURED

AGE AT ENTRY	PREMIUM CEASING AT AGE OF						
	35 RS. P	40 RS. P	45 RS. P	50 RS. P	55 RS. P	58 RS. P	60 RS. P
19	30.05	21.95	17.15	13.85	11.45	10.55	9.95
20	32.15	23.15	18.05	14.45	11.75	10.85	10.25
21	34.55	24.65	18.95	15.05	12.05	11.15	10.55
22	37.55	26.15	19.85	15.65	12.65	11.45	10.85
23	41.15	27.95	20.75	16.25	13.25	11.75	11.15
24	45.05	30.05	21.95	17.15	13.85	12.35	11.45
25	49.85	32.15	23.15	18.05	14.45	12.95	12.05
26	55.85	34.55	24.65	18.95	15.05	13.55	12.65
27	63.35	37.55	26.15	19.85	15.65	14.15	13.25
28	72.65	41.15	27.95	21.05	16.55	14.75	13.85
29	85.25	45.05	30.05	22.25	17.45	15.35	14.45
30	102.95	49.85	32.23	23.45	18.35	15.95	15.05
31		55.85	34.85	24.95	19.25	16.85	15.65
32		63.35	37.85	26.45	20.15	17.75	16.25
33		72.65	41.15	28.25	21.35	18.65	16.85
34		85.25	45.35	30.35	22.55	19.55	17.75
35		102.95	50.15	32.45	23.75	20.45	18.65
36			56.15	35.15	25.25	21.65	19.55
37			63.35	38.15	27.05	22.85	20.75
38			72.95	41.45	28.85	24.35	21.95
39			85.55	45.65	30.65	25.85	23.15
40			103.25	50.45	33.05	27.35	24.65
41				56.45	35.75	29.15	26.15
42				63.95	38.75	31.25	27.65
43				73.55	42.35	33.65	29.45
44				86.15	46.25	36.35	31.55
45				103.85	51.35	39.35	33.95
46					56.55	42.49	36.33
47					63.87	46.59	39.56
48					73.25	51.28	42.78
49					85.56	57.14	46.88
50					102.84	64.46	51.86
51						76.53	61.47
52						88.31	68.62
53						104.54	77.59
54							89.37
55							105.54



How to Grow Money – Part II

TABLE-IX  
RURAL POSTAL LIFE INSURANCE

ENDOWMENT ASSURANCE PLAN

ANNUAL PREMIUM PER RS.1000/- SUM ASSURED

AGE AT ENTRY	PREMIUM CEASING AT AGE OF							AGE AT ENTRY
	35 RS. P	40 RS. P	45 RS. P	50 RS. P	55 RS. P	58 RS. P	60 RS. P	
19	59.15	42.95	33.35	26.75	21.95	20.15	18.95	19
20	63.35	45.35	35.15	27.95	22.55	20.75	19.55	20
21	68.15	48.35	36.95	29.15	23.15	21.35	20.15	21
22	74.15	51.35	38.75	30.35	24.35	21.95	20.75	22
23	81.35	54.95	40.55	31.55	25.55	22.55	21.35	23
24	89.15	59.15	42.95	33.35	26.75	23.75	21.95	24
25	98.75	63.35	45.35	35.15	27.95	24.95	23.15	25
26	110.75	68.15	48.35	36.95	29.15	26.15	24.35	26
27	125.75	74.15	51.35	38.75	30.35	27.35	25.55	27
28	144.35	81.35	54.95	41.15	32.15	28.55	26.75	28
29	169.55	89.15	59.15	43.55	33.95	29.75	27.95	29
30	204.95	98.75	63.35	45.95	35.75	30.95	29.15	30
31		110.75	68.75	48.95	37.55	32.75	30.35	31
32		125.75	74.75	51.95	39.35	34.55	31.55	32
33		144.35	81.35	55.55	41.75	36.35	32.75	33
34		169.55	89.75	59.75	44.15	38.15	34.55	34
35		204.95	99.35	63.95	46.55	39.95	36.55	35
36			111.35	69.35	49.55	42.35	38.15	36
37			125.75	75.35	53.15	44.75	40.55	37
38			144.95	81.95	56.75	47.75	42.95	38
39			170.15	90.35	60.35	50.75	45.35	39
40			205.55	99.95	65.15	53.75	48.35	40
41				111.95	70.55	57.35	51.35	41
42				126.95	76.55	61.55	54.35	42
43				146.15	83.75	66.35	57.95	43
44				171.35	91.55	71.75	62.15	44
45				206.75	101.75	77.75	66.95	45
46					111.17	83.52	71.42	46
47					125.57	91.58	77.76	47
48					144	100.8	84.1	48
49					168.19	112.32	92.16	49
50					202.18	126.72	101.95	50
51						150.45	120.84	51
52						173.61	134.9	52
53						205.52	152.52	53
54							175.68	54
55							207.48	55



**TABLE-X RURAL POSTAL LIFE INSURANCE**

**ANTICIPATED ENDOWMENT ASSURANCE PLAN**

MONTHLY PREMIUM PER Rs. 1000/- SUM ASSURED

Age at Entry	PREMIUM CEASING AT AGE OF		Age at Entry
	15 YEARS RS. P	20 YEARS RS. P	
19	6.55	4.95	19
20	6.55	4.95	20
21	6.55	4.95	21
22	6.55	4.95	22
23	6.55	4.95	23
24	6.55	4.95	24
25	6.55	4.95	25
26	6.55	5.00	26
27	6.55	5.00	27
28	6.55	5.00	28
29	6.55	5.00	29
30	6.60	5.00	30
31	6.60	5.05	31
32	6.60	5.05	32
33	6.60	5.05	33
34	6.60	5.10	34
35	6.65	5.10	35
36	6.65	5.15	36
37	6.70	5.15	37
38	6.70	5.20	38
39	6.75	5.25	39
40	6.75	5.30	40





TABLE-X RURAL POSTAL LIFE INSURANCE

ANTICIPATED ENDOWMENT ASSURANCE PLAN

QUARTERLY PRREMIUM PER Rs. 1000/- SUM ASSURED

Age at Entry	PREMIUM CEASING AT AGE OF		Age at Entry
	15 YEARS RS. P	20 YEARS RS. P	
19	19.50	14.70	19
20	19.50	14.70	20
21	19.50	14.70	21
22	19.50	14.70	22
23	19.50	14.70	23
24	19.50	14.70	24
25	19.50	14.70	25
26	19.50	14.85	26
27	19.50	14.85	27
28	19.50	14.85	28
29	19.50	14.85	29
30	19.65	14.85	30
31	19.65	15.00	31
32	19.65	15.00	32
33	19.65	15.00	33
34	19.65	15.15	34
35	19.80	15.15	35
36	19.80	15.30	36
37	19.95	15.30	37
38	19.95	15.45	38
39	20.10	15.60	39
40	20.10	15.75	40



**How to Grow Money – Part II**

**TABLE-X  
RURAL POSTAL LIFE INSURANCE**

**ANTICIPATED ENDOWMENT ASSURANCE PLAN**

HALF YEARLY PREMIUM PER Rs. 1000/- SUM ASSURED

Age at Entry	PREMIUM FOR THE TERM OF		Age at Entry
	15 YEARS RS. P	20 YEARS RS. P	
19	38.75	29.15	19
20	38.75	29.15	20
21	38.75	29.15	21
22	38.75	29.15	22
23	38.75	29.15	23
24	38.75	29.15	24
25	38.75	29.15	25
26	38.75	29.45	26
27	38.75	29.45	27
28	38.75	29.45	28
29	38.75	29.45	29
30	39.05	29.45	30
31	39.05	29.75	31
32	39.05	29.75	32
33	39.05	29.75	33
34	39.05	30.05	34
35	39.35	30.05	35
36	39.35	30.05	36
37	39.65	30.35	37
38	39.65	30.65	38
39	39.95	30.95	39
40	39.95	31.25	40



TABLE-X  
RURAL POSTAL LIFE INSURANCE

ANTICIPATED ENDOWMENT ASSURANCE PLAN

ANNUAL PRREMIUM PER Rs. 1000/- SUM ASSURED

Age at Entry	PREMIUM FOR THE TERM OF		Age at Entry
	15 YEARS RS. P	20 YEARS RS. P	
19	76.55	57.35	19
20	76.55	57.35	20
21	76.55	57.35	21
22	76.55	57.35	22
23	76.55	57.35	23
24	76.55	57.35	24
25	76.55	57.35	25
26	76.55	57.95	26
27	76.55	57.95	27
28	76.55	57.95	28
29	76.55	57.95	29
30	77.15	57.95	30
31	77.15	58.55	31
32	77.15	58.55	32
33	77.15	58.55	33
34	77.15	59.15	34
35	77.75	59.15	35
36	77.75	59.75	36
37	78.35	59.75	37
38	78.35	60.35	38
39	78.95	60.95	39
40	78.95	61.55	40



How to Grow Money – Part II

Table XI

GRAM YOJANA(GRAM PRIYA) 10 YEARS

RURAL POSTAL LIFE INSURANCE

Age at Entry Yrs	ANNUAL Rs	HALFYEARLY Rs	QUARTERLY Rs	MONTHLY	Age at Entry Yrs
20	114.45	57.70	29.00	9.70	20
21	114.55	57.75	29.00	9.70	21
22	114.60	57.80	29.05	9.70	22
23	114.65	57.80	29.05	9.70	23
24	114.70	57.85	29.05	9.70	24
25	114.80	57.90	29.10	9.70	25
26	114.85	57.90	29.10	9.70	26
27	114.95	57.95	29.10	9.75	27
28	115.05	58.00	29.15	9.75	28
29	115.20	58.10	29.20	9.75	29
30	115.30	58.15	29.20	9.75	30
31	115.45	58.20	29.25	9.75	31
32	115.60	58.30	29.30	9.80	32
33	115.75	58.35	29.30	9.80	33
34	115.90	58.45	29.35	9.80	34
35	116.00	58.50	29.40	9.80	35
36	116.15	58.55	29.40	9.85	36
37	116.30	58.65	29.45	9.85	37
38	116.40	58.70	29.50	9.85	38
39	116.50	58.75	29.50	9.85	39
40	116.55	58.75	29.50	9.85	40
41	117.10	59.05	29.65	9.95	41
42	117.75	59.35	29.80	9.95	42
43	118.40	59.70	30.00	10.00	43
44	119.10	60.05	30.15	10.05	44
45	119.80	60.40	30.35	10.15	45

Note ;(1) For the purpose of all tables “age at entry”

Means the age next birthday following the date of  
payment of the First premium

(2) For a policy of Rs.20,000/- and above a rebate of Rs.1/-

Shall be allowed except for (Joint Life Assurance) Yugal Suraksha for which rates of rebates are mentioned separately  
below the relevant table.



**RESERVE BANK OF INDIA**  
**Foreign Exchange Department**  
**Central Office**  
**Mumbai - 400 001**

**RBI/2013-14/181**

**A. P. (DIR Series) Circular No.24**

**August 14, 2013**

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**Liberalised Remittance Scheme for Resident Individuals- Reduction of limit from USD 200,000 to USD 75,000**

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to the guidelines regarding the Liberalised Remittance Scheme (LRS) for Resident Individuals (the Scheme).

2. On a review of the scheme, it has now been decided to reduce the existing limit of USD 200,000 per financial year to USD 75,000 per financial year (April - March) with immediate effect. Accordingly, AD Category – I banks may now allow remittance up to USD 75,000 per financial year, under the scheme, for any permitted current or capital account transaction or a combination of both. Further, the following changes / clarifications in regard to the remittances under LRS will come into effect immediately :

(i). The scheme should no longer be used for acquisition of immovable property, directly or indirectly, outside India. Therefore, AD Category-I banks may henceforth not allow any remittances under the LRS Scheme for acquisition of immovable property outside India.

(ii). The scheme should not be used for making remittances for any prohibited or illegal activities such as margin trading, lottery etc., as hitherto.

(iii). Resident individuals have now been allowed to set up Joint Ventures (JV) / Wholly Owned Subsidiaries (WOS) outside India for bonafide business activities outside India within the limit of USD 75,000 with effect from August 5, 2013 and



subject to the terms and conditions stipulated in [Notification No.FEMA 263/RB-2013 dated August 5, 2013](#).

3. Further, the limit for gift in Rupees by Resident Individuals to NRI close relatives and loans in Rupees by resident individuals to NRI close relatives in terms of [A.P. \(DIR Series\) Circular No.17](#) and [18](#) both dated September 16, 2011 shall accordingly stand modified to USD 75,000 per financial year.

4. All other terms and conditions mentioned in [A. P. \(DIR Series\) Circular No. 64 dated February 4, 2004](#), [A. P. \(DIR Series\) Circular No. 24 dated December 20, 2006](#), [A. P. \(DIR Series\) Circular No. 51 dated May 8, 2007](#), [A.P. \(DIR Series\) Circular No.36 dated April 4, 2008](#), [A.P. \(DIR Series\) Circular No.17 and 18 both dated September 16, 2011](#) and [A.P.\(DIR Series\) Circular No. 106 dated May 23, 2013](#) shall remain unchanged.

5. Necessary amendments to the [Notification No. FEMA.1/2000-RB dated May 3, 2000](#), [Foreign Exchange Management (Permissible Capital Account Transactions) Regulations 2000] are being notified separately.

6. AD - Category I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

7. The directions contained in this Circular have been issued under Section 10 (4) and 11 (1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(C.D. Srinivasan)**  
**Chief General Manager**

Related Press Release/Notification	
Aug 14, 2013	<a href="#">RBI announces measures to rationalise Foreign Exchange Outflows by Resident Indians</a>
Aug 14, 2013	<a href="#">Overseas Direct Investments</a>



**RESERVE BANK OF INDIA**  
**Foreign Exchange Department**  
**Central Office**  
**Mumbai - 400 001**

**RBI/2013-14/ 222**  
**A.P. (DIR Series) Circular No.32**

**September 04, 2013**

To

All Authorised Dealer Category-I Banks

Madam / Sir,

**Liberalized Remittance Scheme – Clarifications**

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to the [A.P. \(DIR Series\) Circular No. 24 dated August 14, 2013](#). In this connection, Reserve Bank has been receiving queries from the various stakeholders and Authorised Dealer banks. All such queries have been collated and are given at the annex together with the answers/ clarifications.

2. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
3. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(C. D. Srinivasan)**  
**Chief General Manager**



[Annex to A.P.(DIR Series)  
Circular No.32 of 04.09.2013]

**Clarifications on Liberalized Remittance Scheme (LRS)**

S. No.	Query	Answer / Clarification
1.	Whether LRS can be used for acquisition of both unlisted and listed shares of an overseas company?	In terms of the extant FEMA provisions LRS can be used to acquire both listed and unlisted shares of an overseas company. The Master Circular dated July 1, 2013 has been suitably modified.
2.	Can a resident individual use the other limits under Schedule III to FEM CAT Rules 2000, as amended from time to time, such as remittances for education, health / medical expenses over and above the LRS limit?	<p>As per the current guidelines of LRS, only gift and donation (from the list of items under Schedule III to FEM CAT Rules, 2000), by a resident individual have been subsumed under the LRS limit. For all other purposes such as educational and medical expenses the limits of LRS and Schedule III to FEM CAT Rules 2000 are separate, distinct, mutually exclusive and over and above each other respectively.</p> <p>In this context, it may be noted that under the extant guidelines under FEMA the following remittances can be made over and above the annual limit of USD 75000 permissible under LRS:</p> <ol style="list-style-type: none"><li>A resident individual can make remittances for meeting expenses for medical treatment abroad up to the estimate from a doctor in India or hospital/ doctor abroad under general permission (without any RBI approval – Para 9 of Schedule III to FEM CAT Rules, 2000, as amended from time to time).</li><li>A resident individual can make remittances up to USD 25,000 for maintenance expenses of a patient going abroad for medical treatment or check-up abroad or for accompanying as attendant to a patient going abroad for medical treatment/ check-up (without any RBI approval – Para 8 of Schedule III to FEM CAT Rules, 2000, as amended from time to time).</li><li>A resident individual can make remittances for studies up to the estimates from the institutions abroad or USD 100,000, whichever is higher (without any RBI approval – Para 10 of Schedule III to FEM CAT Rules, 2000, as amended from time to time). This is over and above the remittance</li></ol>





How to Grow Money – Part II

S. No.	Query	Answer / Clarification
		<p>limit of USD 75,000 which can be made under the LRS route for the same.</p> <p>d. A resident individual can also make all other remittances (other than donation and gifts) as stipulated under Schedules III to FEM CAT Rules, 2000, as amended from time to time.</p> <p>e. A resident individual can also carry out other permissible current account transactions (transactions which are not explicitly prohibited under Schedule I, or restricted under Schedules II and III, to FEM CAT Rules, 2000, as amended from time to time) without any limits through an AD Bank in India subject to the AD bank verifying the bonafides of the transaction (para 6 to Annex 1 of ADMA Circular No.11 dated May 16, 2000).</p> <p>Therefore notwithstanding the revised guidelines and reduction in the LRS limit these guidelines do not affect genuine transactions.</p>
3.	As per para 2 (iii) of AP (Dir Series) Circular No.24 dated August 14, 2013 <a href="#">Notification FEMA 263/2013-RB is dated August 5, 2013</a> but the said Notification as available on the website is dated March 5, 2013? What is the correct date of this Notification?	The said Notification is dated March 5, 2013 but gazetted on August 5, 2013. As per Regulation 1(ii) of this Notification, this Notification shall come into force from the date of publication in Official Gazette, accordingly the effective date of this notification is August 5, 2013 (while the date of the notification is March 5, 2013).
4.	Can resident individuals make remittances under LRS for investments in immovable properties abroad which were acquired under instalment basis?	Resident individuals are permitted to make remittances for acquiring immovable property within the annual limit of USD 75000 for already contracted cases, i.e. only for those contracts which were entered into on or before the date of the circular, i.e., August 14, 2013, subject to satisfaction of the genuineness of the transactions by the AD bank. Such cases should be immediately reported post facto to the Reserve Bank of India by the A D banks.



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/ 2013-14/104

IDMD.PCD. 05 /14.01.03/2013-14

July 1, 2013

All market participants

Dear Sir/Madam,

**Master Circular - Guidelines for Issue of Certificates of Deposit**

With a view to further widening the range of money market instruments and giving investors greater flexibility in deployment of their short-term surplus funds, Certificates of Deposit (CDs) were introduced in India in 1989. Guidelines for issue of CDs are presently governed by various directives issued by the Reserve Bank of India, as amended from time to time.

2. A Master Circular incorporating all the existing guidelines / instructions / directives on the subject has been prepared for reference of the market participants and others concerned. It may be noted that this Master Circular consolidates and updates all the instructions / guidelines contained in the circulars listed in the Appendix as far as they relate to guidelines for issue of CDs. This Master Circular has also been placed on RBI website at <http://www.mastercirculars.rbi.org.in>.

Yours faithfully

(K. K. Vohra)  
Pr. Chief General Manager

Encl.: As above



## **1. Introduction**

Certificate of Deposit (CD) is a negotiable money market instrument and issued in dematerialised form or as a Usance Promissory Note against funds deposited at a bank or other eligible financial institution for a specified time period. Guidelines for issue of CDs are presently governed by various directives issued by the Reserve Bank of India (RBI), as amended from time to time. The guidelines for issue of CDs, incorporating all the amendments issued till date, are given below for ready reference.

## **2. Eligibility**

CDs can be issued by (i) scheduled commercial banks {excluding Regional Rural Banks and Local Area Banks}; and (ii) select All-India Financial Institutions (FIs) that have been permitted by RBI to raise short-term resources within the umbrella limit fixed by RBI.

## **3. Aggregate Amount**

3.1 Banks have the freedom to issue CDs depending on their funding requirements.

3.2 An FI can issue CD within the overall umbrella limit prescribed in the Master Circular on Resource Raising Norms for FIs, issued by DBOD and updated from time-to-time.

## **4. Minimum Size of Issue and Denominations**

Minimum amount of a CD should be Rs.1 lakh, i.e., the minimum deposit that could be accepted from a single subscriber should not be less than Rs.1 lakh, and in multiples of Rs. 1 lakh thereafter.

## **5. Investors**

CDs can be issued to individuals, corporations, companies (including banks and PDs), trusts, funds, associations, etc. Non-Resident Indians (NRIs) may also subscribe to CDs, but only on non-repatriable basis, which should be clearly stated on the Certificate. Such CDs cannot be endorsed to another NRI in the secondary market.

## **6. Maturity**

6.1 The maturity period of CDs issued by banks should not be less than 7 days and not more than one year, from the date of issue.

6.2 The FIs can issue CDs for a period not less than 1 year and not exceeding 3 years from the date of issue.



### **7. Discount / Coupon Rate**

CDs may be issued at a discount on face value. Banks / FIs are also allowed to issue CDs on floating rate basis provided the methodology of compiling the floating rate is objective, transparent and market-based. The issuing bank / FI is free to determine the discount / coupon rate. The interest rate on floating rate CDs would have to be reset periodically in accordance with a pre-determined formula that indicates the spread over a transparent benchmark. The investor should be clearly informed of the same.

### **8. Reserve Requirements**

Banks have to maintain appropriate reserve requirements, i.e., cash reserve ratio (CRR) and statutory liquidity ratio (SLR), on the issue price of the CDs.

### **9. Transferability**

CDs in physical form are freely transferable by endorsement and delivery. CDs in demat form can be transferred as per the procedure applicable to other demat securities. There is no lock-in period for the CDs.

### **10. Trades in CDs**

All OTC trades in CDs shall be reported within 15 minutes of the trade on the FIMMDA reporting platform.

### **11. Settlement**

All OTC trades in CDs shall necessarily be cleared and settled under DVP I mechanism through the authorised clearing houses {National Securities Clearing Corporation Limited (NSCCL), Indian Clearing Corporation Limited (ICCL) and MCX Stock Exchange Clearing Corporation Limited (CCL)} of the stock exchanges.

### **12. Loans / Buy-backs**

Banks / FIs cannot grant loans against CDs. Furthermore, they cannot buy-back their own CDs before maturity. However, the RBI may relax these restrictions for temporary periods through a separate notification.

### **13. Format of CDs**

Banks / FIs should issue CDs only in dematerialised form. However, according to the Depositories Act, 1996, investors have the option to seek certificate in physical form. Accordingly, if an investor insists on physical certificate, the bank / FI may inform the Chief



General Manager, Financial Markets Department, Reserve Bank of India, Central Office, Fort, Mumbai - 400 001 about such instances separately. Further, issuance of CDs will attract stamp duty. A format (**Annex I**) is enclosed for adoption by banks / FIs. There will be no grace period for repayment of CDs. If the maturity date happens to be a holiday, the issuing bank/FI should make payment on the immediate preceding working day. Banks / FIs, therefore, should fix the period of deposit in such a manner that the maturity date does not coincide with a holiday to avoid loss of discount / interest rate.

#### **14. Security Aspect**

Since CDs in physical form are freely transferable by endorsement and delivery, it will be necessary for banks/FIs to see that the certificates are printed on good quality security paper and necessary precautions are taken to guard against tampering with the document. They should be signed by two or more authorised signatories.

#### **15. Payment of Certificate**

15.1 Since CDs are transferable, the physical certificates may be presented for payment by the last holder. The question of liability on account of any defect in the chain of endorsements may arise. It is, therefore, desirable that banks take necessary precautions and make payment only by a crossed cheque. Those who deal in these CDs may also be suitably cautioned.

15.2 The holders of dematted CDs will approach their respective depository participants (DPs) and give transfer / delivery instructions to transfer the security represented by the specific International Securities Identification Number (ISIN) to the 'CD Redemption Account' maintained by the issuer. The holders should also communicate to the issuer by a letter / fax enclosing the copy of the delivery instruction they had given to their respective DP and intimate the place at which the payment is requested to facilitate prompt payment. Upon receipt of the demat credit of CDs in the "CD Redemption Account", the issuer, on maturity date, would arrange to repay to holders / transferors by way of Banker's cheque / high value cheque, etc.

#### **16. Issue of Duplicate Certificates**

16.1 In case of loss of physical certificates, duplicate certificates can be issued after compliance with the following:

- a. Notice is required to be given in at least one local newspaper;
- b. Lapse of a reasonable period (say 15 days) from the date of the notice in the newspaper; and
- c. Execution of an indemnity bond by the investor to the satisfaction of the issuer of CDs.



16.2 The duplicate certificate should be issued only in physical form. No fresh stamping is required as a duplicate certificate is issued against the original lost CD. The duplicate CD should clearly state that the CD is a Duplicate one stating the original value date, due date, and the date of issue (as "Duplicate issued on \_\_\_\_\_").

## **17. Accounting**

Banks / FIs may account the issue price under the Head "CDs issued" and show it under deposits. Accounting entries towards discount will be made as in the case of "Cash Certificates". Banks / FIs should maintain a register of CDs issued with complete particulars.

## **18. Standardised Market Practices and Documentation**

Fixed Income Money Market and Derivatives Association of India (FIMMDA) may prescribe, in consultation with the RBI, for operational flexibility and smooth functioning of the CD market, any standardised procedure and documentation that are to be followed by the participants, in consonance with the international best practices. Banks / FIs may refer to the detailed guidelines issued by FIMMDA in this regard on June 20, 2002 and as amended from time to time (<http://fimmda.org>).

## **19. Reporting**

19.1 Banks should include the amount of CDs in the fortnightly return under Section 42 of the RBI Act, 1934 and also separately indicate the amount so included by way of a footnote in the return.

19.2 Further, banks / FIs should report the data on issuance of CDs on the web-based module under the Online Returns Filing System (ORFS) within 10 days from the end of the fortnight to which it pertains.



**Annex I**  
(See para 13)

**Format of Negotiable Certificate of Deposit (CD)**

Name of the Bank / Institution \_\_\_\_\_

No. \_\_\_\_\_

Rs. \_\_\_\_\_

Dated \_\_\_\_\_

**NEGOTIABLE CERTIFICATE OF DEPOSIT**

\_\_\_\_\_ months / days after the date hereof, \_\_\_\_\_ <Name of the Bank / Institution> \_\_\_\_\_, at \_\_\_\_\_ <name of the place> \_\_\_\_\_, hereby promise to pay to \_\_\_\_\_ <name of the depositor> \_\_\_\_\_ or order the sum of Rupees \_\_\_\_\_ <in words> \_\_\_\_\_ only, upon presentation and surrender of this instrument at the said place, for deposit received.

For \_\_\_\_\_ <Name of the institution> \_\_\_\_\_ Date of maturity \_\_\_\_\_

without days of grace.

Instructions	Endorsement	Date
	1.	
	2.	
	3.	
	4.	



### **Definitions**

In these guidelines, unless the context otherwise requires:

- a. "Bank" or "Banking company" means a banking company as defined in clause (c) of Section 5 of the Banking Regulation Act, 1949 (10 of 1949) or a "corresponding new bank", "State Bank of India" or "subsidiary bank" as defined in clause (da), clause (nc) and clause (nd) respectively thereof and includes a "co-operative bank" as defined in clause (cci) of Section 5 read with Section 56 of that Act.
- b. "Scheduled bank" means a bank included in the Second Schedule of the Reserve Bank of India Act, 1934.
- c. "All-India Financial Institutions (FIs)" mean those financial institutions which have been permitted specifically by the Reserve Bank of India to raise resources by way of Term Money, Term Deposits, Certificates of Deposit, Commercial Paper and Inter-Corporate Deposits, where applicable, within the umbrella limit fixed by RBI.
- d. "Corporate" or "Company" means a company as defined in Section 45 I (aa) of the Reserve Bank of India Act, 1934 but does not include a company which is being wound up under any law for the time being in force.
- e. "Non-banking company" means a company other than banking company.
- f. "Non-banking financial company" means a company as defined in Section 45 I (f) of the Reserve Bank of India Act, 1934.
- g. Words and expressions used but not defined herein and defined in the Reserve Bank of India Act, 1934 (2 of 1934) shall have the same meaning as assigned to them in the Act.