

## THE POST OFFICE RECURRING DEPOSIT RULES 1981

[Issued vide Ministry of Finance (DEA) Notification No. F.3/15/81-NS(v) dated 17.12.1981 and further amended from time to time]

GSR 666(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 Recurring Deposits Rules 1981.
  2. They shall come into force on the 1<sup>st</sup> day of April, 1982.
2. **Definitions** :- In these rules, unless the context otherwise requires :-
  - (a) '**Accounts**' means a Recurring Deposit Account;
  - (b) '**Table**' means a Table appended to these rules;
  - (c) '**year**' means a year commencing on the date of the first deposit in an account;
  - (d) '**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** :-

For matters not provided in these rules, the provisions of the Post Office Savings Bank General Rules, 1981 shall apply.
4. **Persons who can open the account** :-
  - (1) An account may be opened by :-
    - (a) A single adult; or
    - (b) two adults jointly, the amount due on the account being payable-
      - (i) to both jointly or survivor or
      - (ii) to either of them or survivor, or
    - (c) a guardian on behalf of a minor or a person of unsound mind; or
    - (d) a minor who has attained the age of ten years, in his own name.
  - (2) A depositor can have more than one account in his name or jointly with another.

**Note 1 :- Non Resident Indians (NRIs)** are not eligible to open RD account. Provided that if a resident who opened a RD account, subsequently becomes Non Resident Indian during the currency of the maturity period, may continue such account till its maturity on a non-repatriation basis.

**Note 2 :-** The RD account in the name of minor cannot be opened by a person other than a guardian by contravening the provision of Rule 4 (1)(c) of P.O.R.D Rules.

5. **Maturity period** :- Maturity period of an account shall be five years.
6. **Deposits** :- (1) subject to the provisions of sub rule (2) to (4) and rule 10. A depositor shall make sixty monthly deposits in an account.
  - (2) The amount of monthly deposit on accounts opened on a or after the 1<sup>st</sup> day of April, 1986 shall be a multiple of five rupee, subject to minimum of ten rupees.
  - (3) The first monthly deposit shall be made at the time of opening the account and the amount of such deposit shall be the denomination of the account. Each subsequent monthly deposit shall be made before the end of the calendar month and shall be equal to the first deposit.

(4) Where a deposit is made by means of a cheque, payorder or demand draft, the date of its presentation to the Post Office Savings Bank shall be deemed to be the date of deposit.

**7. Defaults in deposits :-** (1) If there are not more than four defaults in the monthly deposits, the depositor may at his discretion, extend the maturity period of the account by as many months as the number of defaults and deposit the defaulted instalments during the extended period.

(2) If there are more than four defaults, the account shall be treated as discontinued. Revival of the account shall be permitted only within a period of two months from the month of fifth default. Interest at the rate of ten paise for every five rupees of a defaulted instalment for each month of default shall also be paid along with such deposit in lump sum and an account in which defaulted instalments are so deposited, shall not be treated as discontinued.

**8. Advance deposits :** (1) In an account which has not become discontinued account under rule 7, deposits for not less than six monthly instalments may be made in advance in any calendar month at the option of the depositor and rebate on such deposits shall be admissible as follow :

Advance deposits	Rebate for an account of Rs. 10 denomination
(i) Six or more deposits but not exceeding eleven deposits made in any calendar month.	One rupee
(ii) Twelve or more deposits made in any calendar month.	Four rupees for every twelve deposits and one rupee for the balance, if any, of not less than six deposits.

(2) For accounts of other denominations, the amounts of rebate shall be proportionate to the rates specified in sub rule (1)

**9. Repayment of Maturity :-** (1) (a) In the case of an account in which sixty monthly deposits have been made during its maturity period or maturity period as extended under sub-rule (1) of rule 7, the depositor shall be entitled at the end of such period to receive the amount inclusive of interest.

(b) Amount repayable, inclusive of interest, on an account of any other denomination shall be proportionate to the amount specified in the Schedule.

(2) (a) Where an account has become discontinued or where the defaults in monthly deposit in an account have not been rectified during its maturity period or maturity period as extended under sub rule (1) of rule 7, the depositor shall be entitled, on the expiry of such period, to receive an amount inclusive of interest which shall be in the same proportion to the amount .

**9 A Premature Closure :-** The holder of an account may prematurely close the account after three years from the date of opening of the account provided that interest at the rate applicable from time to time to post office savings account shall be payable on such premature closure of account. However, no premature closure of account is permissible until the period for which the advanced deposits made under rule 8 is over.

**10. Accounts continued beyond maturity period :-** (1) Notwithstanding anything contained in the forgoing rules, if sixty monthly deposits have been made in an account during its maturity period or maturity period as extended under sub-rule (1) of the rule 7, the depositor may, at his option, continue the account for a further period up to maximum of five years and make monthly

deposits during such further period. Each such monthly deposit shall be equal to the first deposit in the account. The provision of rules 7 and 8 shall be applicable to such deposits also.

(2) An account continued under sub-rule (1) may, at any time, be closed by the depositor and on such closure he shall be entitled to receive repayment of the amount, inclusive of interest as follows :

- (a) If the account is closed after being continued under sub-rule (1) for a completed number of years, the depositor shall be entitled to received the amount.
- (b) If the account is closed after being continued under sub rule(1) for a period of less than one year, the depositor shall be entitled to receive the amount as specified under sub rule (1) of rule 9 together with (i) interest on such amount for the complete months for which the account was continued and (ii) the amount of deposits made by him during the period for which the account was continued and (ii) the amount of deposits made by him during the period for which the account was continued.
- (c) If the account is closed after being continued under sub-rule (1) for a completed number of years not exceeding 4 and for a part of a year thereafter, the depositor shall be entitled to receive (i) the amount as specified in table 1,2,11,13,17, 20,22, 26,29,32,35,38 or 41 as the case may be relevant to the completed number of years (ii) interest on such amount for the complete months in the partial years, and (iii)\_ the amount of deposits made by him during the partial year.
- (d) The interest referred to in a clause (b) and (c) shall be calculated at the rate applicable, from time to time, to savings accounts of the type of single or joint account.

**11. Retention of amount repayment beyond maturity period :-**

(1) Notwithstanding anything contained in the foregoing rules, if sixty monthly deposits have been made in an account during its maturity period or maturity period as extended under sub-rule (1) of rule 7, the depositor may at his option continue the account and retain in it the amount of repayment due under sub-rule (1) of rule 9 for a further period up to a maximum of five years without making any fresh deposits during such further period.

(2) On closure of the account at the expiry of the further period referred to in sub-rule (1), the depositor shall be entitled to received repayment as follows

a) If the further period is less than one year	The amount due under sub-rule (1) of rule 9 together with interest on such amount for the complete months in the further period.
b) If the further period consists of completed years only.	The amount specified in Table 3.4.,12,14,18,21,23,27,30,33,36,39 or 42 as the case may be.
c) If the further period consists of completed years not exceeding four and part of the year thereafter.	The amount specified in Table 3.4 12,14,18,21,23,27,30,33,36,39 or 42 as the case may be, relevant to the number of completed years together with interest on such amount for the complete months in the partial year.

3) The interest specified in clauses (a) and (c) of sub-rule (2) shall be calculated at the rate applicable from time to time to savings accounts of the type of single or joint account.

**12. Repayment on death of a depositor** (1) Subject to sub-rule (2), on the death of the depositor in a single account or of both the depositors in a joint account, no further deposits shall

be made in the account and the procedure specified in rule 13 of the Post Office Savings Bank General Rules, (1981) shall apply. For the purpose of such procedure, the amount due for repayment on the account shall be as follows :-

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a) If sixty monthly deposits have been made and the account has not been continued under sub-rule (1) of rule 10 or rule 11	The amount specified in sub-rule (1) of rule 9
b) If less than sixty monthly deposits have been made in the account; and	The amount specified in sub-rule (2) of rule 9, subject to the provisions of rule 13.
i) If the nominee or legal heir desires to receive the amount due on the Expiry of maturity period or extended period under sub rule (1) of rule 7; or	
ii) If the nominee or legal heir desires to receive the amount due at any time earlier than under (1) above.	The amount specified in Table 5, 6, 7,8,9, 10,15,16,19,24,25,28,31,34, 37,40 or 43 as the case may be subject to the provisions of rule 13
c) If the account has been continued Under sub-rule (1) of rule 10 or rule 11	The amount specified in sub-rule(2) of rule 10 or rule 11, as the case may be.

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2) Notwithstanding anything contained in sub-rule (1) if there are only one or two surviving nominees or legal heirs, he or they may continue the account and receive repayment of the amount inclusive of interest, in the manner provided for in these rules, as if the account had been opened by him or them.

3) On the death of a depositor in a joint account, the surviving depositor shall be treated as the sole owner of the account and he may deal with in my manner provided for in these rules, as if he had opened the account in his name. If less than sixty monthly deposits have been paid into the account, he shall also have the option to close the account immediately and receive the amount specified in Table 5,6,8,9, 10, 15, 16, 19, 24, 25, 28, 31, 34, 37, 40 or 43 as the case may be.

4) On the death of the guardian of minor or lunatic depositor, the new guardian may close the account and claim the amount as specified in sub-rule (1) or (2) of rule 9 or sub rule (2) of rule 10 or sub rule (2) of rule 11 or Table 5, 6, 7, 8, 9, 10, 15, 16, 19, 24, 25, 28, 31, 34, 37, 40 or 43, as the case may be, if the same is required in the interest of such depositor.

### **13. Repayment of full maturity value on the death of the depositor in certain cases**

**(Protected Savings Scheme)** (1) Where the depositor in a single account or the surviving depositor in a joint account dies during the maturity period of an account or its extension under sub-rule (1) rule 7, the legal heir or nominee, as the case may be of such depositor shall be entitled to receive the amount specified in sub-rule (1) of rule 9 as if the depositor had paid all the sixty monthly deposits subject to the following conditions namely :

i) The payment of full maturity value under this rule shall be restricted to the maturity value of an account of denomination of fifty rupees.

ii) The account has not become a discontinued account.

iii) The period from the date of opening the account to the date of death of the depositor or surviving depositor, as the case may be, is not less than two years.

iv) The age of the depositor or depositors, as the case may be, at the time of opening the account is not less than 18 years and not more than 53 years. At the time of opening the

account or thereafter, every depositor shall give a declaration in writing to the Post Office Savings bank indicating his age at the time of opening the account. Where such declaration has not been given by the depositor or depositors, the claimant shall furnish a certified copy of the School Leaving Certificate of the deceased depositor or a declaration on a plain paper as to the age of deceased depositor at the time of the opening the account duly attested by a Gazetted Officer or a Magistrate (including Honorary Magistrate) or a member of Parliament or of a Legislature (including the Metropolitan Council for Delhi) or a Panchayat President or Pramukh.

v) The first twenty-four monthly deposit have been made without default.

14) **Withdrawal** :- (I) Subject to the provisions of sub rules (2) to (7), where an account has not become a discontinued account under sub rule (2) of Rule 7, one withdrawal not exceeding fifty percent of the deposits made in the account may be allowed after the account has been in operation for at least one year and twelve monthly deposit have been made in the account.

2) The amount of such withdrawal shall be multiple of five rupees. It may be repaid at any time during the currency of the account, in one lump sum or a in equal monthly instalments

3) Simple interest at the rate specified below shall be payable by the depositor :

a) For withdrawal made during the Period from 1<sup>st</sup> April, 1993 to 31<sup>st</sup> December, 2004. - 15 per cent per annum.

b) For withdrawal made on or after 1<sup>st</sup> January, 2005. -2 per cent over and above the interest rate applicable to the deposits made for a period of five years under the POTD Rules, 1981, on the date of withdrawal. [7.5+2 =9.5% p.a)

4) In the case of repayment in one lump sum, interest at the rate specified in sub rule (3) shall be calculated on the amount of withdrawal for full calendar months from the month of withdrawal to the month of repayment irrespective of the date on which the amount is withdrawn or repaid. If the repayment with interest is made on or before the 10<sup>th</sup> of a month, no interest shall be payable for that month.

5) In the case of repayment in equal monthly instalments the amount of each instalment shall be be multiple of five rupees and the number of instalments shall not exceed the number of months remaining for maturity of the account or the post maturity period for which the account is continued under rule 10 or 11. The interest at the rate specified in sub-rule (3) shall be calculated on the amount remaining unpaid at the end of each month from the month of withdrawal and the total amount of such interest shall be payable in lump sum alongwith the last instalment of repayment of the amount withdrawn or in the month next following the month in which the last instalement of the amount withdrawn is repaid.

6) During the maturity period of an account or its extension under sub-rule (1) of rule 7 or sub-rule (1) of rule 10, the monthly instalment of repayment of withdrawal, if any, shall be payable alongwith the monthly deposits. If an account is continued beyond the maturity period without any fresh deposits under sub-rule (1) of rule 11, monthly instalment of repayment of withdrawal, if any, may be paid during the period of such continuance.

7) Where, for any reason, the amount of withdrawal or a part thereof has not been re-paid or the interest thereon has not been paid by the depositor before the closure of the account, any outstanding amount due from him in this behalf shall be recovered from the amount payable to him or to his nominee or legal heir, as the case may be, on the closure of the account.

**14A Mode of payments** :- All transactions of recoveries, withdrawals , repayments, etc. under these rules shall be rounded off to the nearest 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 ignore.

**(15) Procedure on the minor attaining majority** : (1)\_ A minor on whose behalf an account has been opened may on his attaining majority :

- a) continue the account for full maturity period or maturity period as extended under sub-rule (1) or rule 7 or for a further period under rule 10 or rule 11, as the case maybe; or
  - b) if he does not continue the account any longer, claim proportionate amount as specified in sub-rule (2) or rule 9 on expiry of maturity period, or the amount due under sub-rule (2) of rule 10 or sub-rule (2) of rule 11, as the case may be.
- 2) For purpose of clause (a) of sub-rule (1) the ex-minor shall give a declaration as follows :

“ I hereby declare that the post office savings Bank General Rules, 1981 and the Post Office Recurring Deposits rules 1981 have been read by/to me and that I accept the said rules and all such amendments thereto as may be issued from time to time as binding on me. ”

**16. Repeal and Saving** : (1) The Post Office (Recurring 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