

No. F.No.113-23/2005-SB  
Government of India  
Ministry of Communications & IT  
Department of Posts

Dak Bhawan, Sansad Marg,  
New Delhi-110001, Dated: 27.09.2011

To  
All Heads of Circles/Regions  
Addl. Director General, APS, New Delhi.

**Subject:- Removal of ceiling of maximum balance to be retained in a post office savings account- amendment to Rule-4 of the Post Office Savings Account Rules 1981 regarding.**

Sir / Madam,

The undersigned is directed to say that issue of removal of ceiling of Rs.1 lac in single savings account and Rs.2 Lac in Joint Savings Account fixed in the year 2000 was under consideration in the Min. of Finance (DEA). This issue was linked to the benefit of exemption in Income Tax on the interest earned in Post Office Savings Account under Section10(15) (i) of Income Tax Act, 1961 by the CBDT and Min. of Finance (DEA). After sustained efforts on the part of this Directorate, Min. of Finance (DEA) has now amended Rule-4 of the Post Office Savings Account Rules 1981 vide G.S.R.681(E) F.No.2/5/2006-NS-II dated 15.9.2011 (copy enclosed). Some major benefits of this amendment are given below: -

(i) From 1.10.2011, there will be no limit for retaining balance in single as well as joint savings account.

(ii) A depositor or depositor(s) can deposit any amount into single as well as joint savings account.

(iii) Maturity value of any savings instrument can be credited into savings account of the depositor standing in the same post office irrespective of the balance in the account.

(i) Any cheque either issued by Postmaster or any other authority irrespective of any amount can be credited into post office savings account irrespective of the balance in the account.

(ii) From the Financial year 2011-12, Interest income of Rs.3500/- in the case of single account and Rs.7000/- in case of Joint account will be exempted from Income Tax. **(Section 10(15) (i) of Income Tax Act, 1961 amended vide Notification No. 32/2010 {F.No. 173/13/2011-IT A.I}/S.O.1296(E) dated 03.06.2011)**

(iii) It is the duty of the depositor(s) to show the interest income earned from Post Office Savings Account(s) beyond the limit prescribed above in the Income Tax return and pay due Income Tax.

2. It is requested that all field units may be directed to give wide publicity to these changes in the shape of Public Notice and printing of leaflets.

3. This issues with the approval of DDG(FS).

Yours faithfully,

**(Kawal Jit Singh)**  
**Assistant Director (SB)**

Enclosure: - Notification.

Copy to: -

1. DDG(FS)/DDG(VIG)/JS&FA/DDG(PAF/DDG(RB)/DDG (Estt.)/DDG(PG & Inspections)
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.