

## CHAPTER - 12

### THE NATIONAL SAVINGS CERTIFICATES (VIII-ISSUE) RULES, 1989

**GSR 496 (E)** – 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 8<sup>th</sup> May, 1989.
  
2. **Definitions:-** In these rules, unless the context otherwise requires.
  - (i) **“Act”** means the Government Savings Certificates Act, 1959 (46 of 1959)
  - (ii) **“Banking Company”** – deleted.
  - (iii) **“Cash”** means cash in Indian currency;
  - (iv) **“Certificate”** means the National Savings Certificates (VIII Issue)
  - (v) **“Company”** – deleted.
  - (vi) **“Corporation”** means a corporation established by or under any law for the time being in force;
  - (vii) **“firm”** – deleted.  

[Clauses (ii), (v) & (vii) deleted vide MOF (DEA) Notification No.GSR (120 (E) dated 8.3.1995 effective from 1.4.1995]
  - (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, 1973; or a Bond issued under the National Development Bonds Rules, 1977 or the National Savings Certificates (VI Issue), 1981 or the National Savings Certificates (VII Issue) Rules, 1981 or the Social Security Certificate Rules, 1982 or the Kisan Vikas Patra Rules, 1988;
  - (xii) **“Post Office”** means any departmental post office in India doing Savings Bank work and such other post office as is authorised by Department of Posts.
  - (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 Rs. 100, Rs. 500, Rs.1000, Rs.5000, Rs.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) (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:

Provided that if a resident who subsequently becomes Non Resident Indian during the currency of maturity period, shall be allowed to avail the benefits of the certificates on maturity on a Non Repatriation Basis.

96

**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 with the passbook 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 be issued immediately and the date of such certificate shall be date of payment.

(2) Where payment for the purchase of a certificate is made by 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 realized 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) and sub-rule (2), as the case may be.

**9. Certificate in lieu of proceeds of old certificates:-** 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 officer of the post office as specified below (hereinafter referred to in these rules as authorised 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 (ii) From a holder to a 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 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:-

97

- (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 ascendent 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; (Pledging)
- (v) transfer in the name of 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 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, certified 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 transferer 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:
- (d) a local authority: and
- (d) A Housing Finance Company approved by the National Housing Bank and 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) 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 for the benefit of the minor.

(2) When any certificate is transferred as security under sub-rule (1), the Postmaster of 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 the sub-rule (2), may, on the written authority of the pledgee, be re-transferred with the previous sanction in writing of the authorised 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 of 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 the 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 cooperative society including a cooperative bank, 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 alike 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 incharge 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, theft, 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 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 provisions of sub-rules (2) to (6), the single holder or joint holders of a certificate may by filling in necessary particulars in **Form 1** at the time of purchasing the certificate, nominate any person who, in the event of death of 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 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.

99

(5) Separate application for nomination or cancellation of a nomination or a 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: -** (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 Rs.201.50 for denomination of Rs.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 the 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 re-invested on behalf of the holder and aggregated with the amount of face value of the certificate.

**T A B L E**

The year for which interest accrues	Amount of interest (Rs.) accruing on certificate of Rs.100 denomination
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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 the Table above.

(2) Where a certificate has been purchased on or after the 1<sup>st</sup> 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 **Rs.195.60** for denomination of Rs.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 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.

**T A B L E**

The year for which interest accrues	Amount of interest (Rs.) accruing on certificate of Rs.100 denomination
First year	11.80
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.

(3) Where a certificate has been purchased on or after the **15<sup>th</sup> day of January, 2000 but before the 1<sup>st</sup> 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 **Rs.190.12** for denomination of Rs.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 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.

**T A B L E**

The year for which interest accrues	Amount of interest (Rs.) accruing on certificate of Rs.100 denomination
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.

(4) Where a certificate has been purchased on or after the **1<sup>st</sup> day of March, 2001 but before the 1<sup>st</sup> 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 **Rs.174.52** for denomination of Rs.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 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.

**T A B L E**

The year for which interest accrues	Amount of interest (Rs.) accruing on certificate of Rs.100 denomination
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.

(5) Where a certificate has been purchased on or after the **1<sup>st</sup> day of March, 2002 but before the 1<sup>st</sup> 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 **Rs.169.59** for denomination of Rs.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 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.

**T A B L E**

The year for which interest accrues	Amount of interest (Rs.) accruing on certificate of Rs.100 denomination
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.

(6) Where a certificate has been purchased on or after the **1<sup>st</sup> 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 **Rs.160.10** for denomination of Rs.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 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.

**T A B L E**

The year for which interest accrues	Amount of interest (Rs.) accruing on certificate of Rs.100 denomination
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.

(7) **Mode of payment:-** 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.

**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-rule (2), (3) and (4), a certificate may be prematurely encashed any time 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 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 discount.

(4) (i) If a certificate is encashed under sub-rule (1) after expiry of three years from the date of certificate purchased **before the 1<sup>st</sup> 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 given below for a certificate of Rs. 100 denomination and at a proportionate rate for a certificate of any other denomination.

**T A B L E**

Period from the date of the certificate to the date of its encashment		Amount pay of interes
(ii) If a certificate is encashed under sub-rule (1) after expiry of three years from the date of certificate purchased <b>on or after the 1<sup>st</sup> day of March 2001 but before the 1<sup>st</sup> day of March 2002</b> , the amount	1. 3 years or more but less than 3 years and 6 months	132.00
	2. 3 years and 6 months or more but less than 4 years	138.50
	3. 4 years or more but less than 4 years and 6 months	145.00
	4. 4 years and 6 months or more but less than 5 years	152.00
	5. 5 years or more but less than 5 years and 6 months	159.00
	6. 5 years and 6 months or more but less than 6 years	166.50



payable, inclusive of interest accrued under rule 15 and after adjustment of discount, shall be as specified in the Table given below for a certificate of Rs. 100 denomination and at a proportionate rate for a certificate of any other denomination.

102

**T A B L E**

Period from the date of the certificate to the date of its encashment		Amount payable inclusive of interest (in rupees)
1.	3 years or more but less than 3 years and 6 months	126.43
2.	3 years and 6 months or more but less than 4 years	131.71
3.	4 years or more but less than 4 years and 6 months	136.90
4.	4 years and 6 months or more but less than 5 years	142.48
5.	5 years or more but less than 5 years and 6 months	147.98
6.	5 years and 6 months or more but less than 6 years	153.89

(iii) If a certificate is encashed under sub-rule (1) after expiry of three years from the date of certificate purchased **on or after the 1<sup>st</sup> day of March 2002 but before the 1<sup>st</sup> 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 given below for a certificate of Rs. 100 denomination and at a proportionate rate for a certificate of any other denomination.

**T A B L E**

Period from the date of the certificate to the date of its encashment		Amount payable inclusive of interest (in rupees)
1.	3 years or more but less than 3 years and 6 months	124.72
2.	3 years and 6 months or more but less than 4 years	129.39
3.	4 years or more but less than 4 years and 6 months	134.25
4.	4 years and 6 months or more but less than 5 years	139.28
5.	5 years or more but less than 5 years and 6 months	144.50
6.	5 years and 6 months or more but less than 6 years	149.52

hed under sub-rule (1) after expiry of three years from the date of certificate purchased **on or after the 1<sup>st</sup> 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 given below for a certificate of Rs. 100 denomination and at a proportionate rate for a certificate of any other denomination.

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Period from the date of the certificate to the date of its encashment		Amount payable inclusive of interest (in rupees)
1.	3 years or more but less than 3 years and 6 months	121.15
2.	3 years and 6 months or more but less than 4 years	125.09
3.	4 years or more but less than 4 years and 6 months	129.16
4.	4 years and 6 months or more but less than 5 years	133.36
5.	5 years or more but less than 5 years and 6 months	137.69
6.	5 years and 6 months or more but less than 6 years	142.16

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le 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 post 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 a person himself, but his signature shall be attested either by the person who purchased it on his behalf or by any 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), and if the sum due on all Savings Certificates does not exceed one lakh rupees (inclusive of the sum due on the Savings Certificates issued from time to time and held by the deceased), the authority mentioned 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 Certificates 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).

Sl. No	Name of authority	Limit (in Rs.)
(i)	Time Scale Departmental Sub-Postmasters	1,000
(ii)	Sub-Postmasters in Lower Selection Grade	2,000
(iii)	Sub-Postmasters/ Dy Postmasters/ Postmasters in higher Selection Grade (All Non-Gazetted)	5,000
(iv)	Deputy Chief Postmasters/ Superintendent of Post Offices/ Deputy Superintendent of Post Offices (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, detachment, 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 stand registered to pay him the amount due under the certificate ; and the Officer incharge 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 the account holder a nomination made in favour of any person.

**Explanation:-** The aforesaid requisition must be made under Section-3 or Section-4 of the Army and Air Force (Disposal of Private Property) Act, 1950 (40 of 1950) in the case of a person belonging to the Army or the Air Force, or under Section-171 or Section-172 of the Navy Act, 1957 (62 of 1957) in the case of a person belonging to the Navy.

**22. Rights of nominees:-** (1) In the case of 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.

104

**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 denomination 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, 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 certificates from one person to another other than a transfer from the holder to a court of law;
- (ii) issue of duplicate certificate under rule 13
- (iii) issue of 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 certificates required to be issued on such conversion.

(2) A fee of rupee 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 Postmaster General or heads of Postal Divisions in their respective jurisdictions, may either suo moto or upon an application by any person interested in any certificate issued in pursuance of these rules, rectify any clerical or arithmetical mistake 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 in these rules causes 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.

**FORM 1**  
[See Rule 6]

**FORM OF APPLICATION FOR PURCHASE OF NATIONAL SAVINGS CERTIFICATES  
(VIII ISSUE)**

Serial No.....

To

The Postmaster

.....

I/We hereby tender Rs..... (Rupees ..... only) in cash/by cheque No..... for purchase of National Savings Certificates (VIII Issue) of the type Single/Joint A/Joint B.

(a) In the name(s) of ..... and .....

(b) In case of minor, his date of birth ..... encashable by the minor's parent/guardian Sri/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 (VIII Issue) Rules, 1989

4. The Certificates may be made over to my/our agent Shri/Smt ..... Authority No..... or messenger who present the application.

Signature/Thumb impression of Investor

Date .....

Address .....

Signature and Address of  
Witness to nomination

Received the Certificate(s)

Signature of investor/messenger/  
Authorized agent

.....

Delete whichever is not applicable

Date.....

**TO BE COMPLETED BY THE POST OFFICE**

Sl No.of certificates	Issue Price Rs.	Date of encashment	Initials of the Postmaster	Remarks like transfer, issue of duplicate etc with initials
Total				

Date

Signature of Head/Sub-Postmaster

**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 certificates stand registered)

To

The Postmaster  
 .....

Under the 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 be 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 nominee in case of minor

2. As the nominee(s) at the serial number(s) ..... above is/are minor(s), I/We appoint Sri/Smt/Kumari ..... (name and full address) as the person to receive the sum due thereto in the event of my/our death during the minority of the nominee(s).

3. The Certificates detailed below are enclosed: -

Sl No.of certificates	Denomination	Date of Birth	Office of issue

Address  
 .....  
 .....  
 .....

(in case of illiterate holder, father's name should be given)

Yours faithfully

Signature (or thumb impression,  
 if Illiterate) of holder(s)

**Witnesses -**

Name  
 Address (1)

Name  
 Address (2)

**NB :** 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**  
**DEPARTMENT OF POSTS**  
 [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 certificates stand registered)

To

The Postmaster  
 .....

Space for Postage Stamp

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 the 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 :-

Serial No.of certificates	Denomination	Date of issue	Office of issue

Address

Yours faithfully

.....  
 .....  
 .....

Signature (or thumb impression, if  
 Illiterate) of holder(s)

(in case of illiterate holder, father's name should be given)

Witnesses

Name  
 Address (1)

Name  
 Address (2)



**NB:** 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