

# The Post Office Savings Certificates Rules, 1960

UNION OF INDIA

India

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### Rule THE-POST-OFFICE-SAVINGS-CERTIFICATES-RULES-1960 of 1960

- Published on 1 August 1960
- Commenced on 1 August 1960
- [This is the version of this document from 1 August 1960.]
- [Note: The original publication document is not available and this content could not be verified.]

The Post Office Savings Certificates Rules, 1960 Published vide Notification No. F. 7(29)(2)No.F.7(29)(ii). - In exercise of the powers conferred by Section 12 of the Government Savings Certificates Act, 1959 (46 of 1959) and in supersession of the Savings Certificates Rules, 1959, the Central Government hereby makes the following rules, namely:-

#### 1. Short title and commencement.

- (i) These rules may be called the Post Office Savings Certificates Rules, 1960.(ii) They shall come into force on the 1st August, 1960(iii) They shall apply to the following Savings Certificates, namely:-(a) 5/7/12 Year National Savings Certificates(b) 10- year National Plan Certificates(c) 12- year National Plan Savings Certificates(d) 12- year National Defence Certificates(e) 7-year National Savings Certificates (II Issue)(f) 7-year National Savings Certificates (III Issue)

#### 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" means a banking company as defined in section 5 of the Banking Companies Act, 1949 (10 of 1949), and includes the State Bank of India and other banking institution notified under section 51 of the said Act;(iii) "Certificates" means(a) a 10-year National Plan Certificate(b) a 5/7/12 Year National Savings Certificate(c) a 12- year National Plan Savings Certificate(d) a 12- year National Defence Certificate(e) a 7-year National Savings Certificates (II Issue)(f) a 7-year National Savings Certificates (III Issue)(iv) "Company" means a company as defined in the Companies Act, 1956 (1 of 1956) and includes a foreign company as defined in section 591 of the said Act;(iva) [ "Co-operative bank" means a State co-operative bank, a Central co-operative bank and a primary co-operative bank;] [Inserted by Notification No. G.S.R. 1234(E), dated 29.9.2017.](v) "Co-operative Society" means a Society registered or deemed to have been registered under the Co-operative Societies Act, 1912 (2 of

1912) or under any other law for the time being in force;(vi)"Corporation" means a corporation established by or under any law for the time being in force, but does not include a company;(vii)"Gift Coupon" means a gift coupon issued under Rule 11;(viii)"Government Company" has the same meaning as defined in the Companies Act, 1956 (1 of 1956)(ix)"Identity Slip" means an identity slip issued to holder of certificate under Rule 14(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 a municipal or local fund;(xi)"Old Rules" means the Savings Certificates Rules, 1959;(xii)"Post Office" means any post office of India doing Savings Bank work;(xiii)"Provident Fund" means a provident fund to which the provisions of the Provident Fund Act, 1925 (19 of 1925) apply and includes a provident fund which has been and continues to be recognized by the Commissioner of Income-tax in accordance with the Provision of Chapter IX-A of the Income-tax Act, 1922 (11 of 1922) and a provident fund established by or under any law for the time being in force;(xiv)Omitted(xv)"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) and includes an executor and a trustee company which is a subsidiary of a scheduled bank.

### 3. Denomination in which certificates shall be issued.

- (i) National Savings Certificate (II Issue) shall be used in denominations of Rs. 10, Rs. 50, Rs. 100, Rs. 500, Rs. 1000, Rs. 5,000.(ii)National Savings Certificate (III Issue) shall be used in denominations of Rs. 100, Rs. 1000, Rs. 5,000.

### 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:-(i)an individual person (whether an adult or minor);(ii)a banking company and Co-operative bank;(iii)a company;(iv)a corporation;(v)a co-operative society including Co-operative bank;(vi)an association, institution or body registered as a society under any law for the time being in force;(vii)a firm registered under the Indian Partnership Act, 1932 (9 of 1932)(viii)a local authority; and(ix)a provident fund(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 jointly or to the survivor.

### 5. The limits upto which certificates may be purchased.

- The maximum permissible holding of a certificate or certificates shall be as shown below for each class of investor, namely:-

Class of Investor	Limit (Rs.)
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(i) An adult or a minor	75,000
(ii) two adults jointly	1,50,000
(iii) any trust which is registered as a Society under any law for the time being in force (other than a Charitable trust donations to which qualify for income tax relief), any gratuity fund constituted as an irrevocable trust, a banking company, a company, a corporation, a firm registered under the Indian Partnership Act, 1932 (9 of 1932), an association, institution or body registered as society under any law for the time being in force other than association, institution or body referred to in clause (iv)	50,000
(iv) a co-operative society including a cooperative bank and cooperative land mortgage bank, a local authority, an association, institution or body registered as a society under any law for the time being in force and the donations to which association, institution or body are exempt from the payment of income-tax	1,00,000
(iv) (a) an approved gratuity fund, as defined in clause (5) of section 2 of the Income-Tax Act, 1961 (43 of 1961), the income from which is exempt from payment of income-tax by virtue of sub-clause (iv) of clause 25 of section 10 of the said act.	1,00,000
(v) a provident fund	Within limit

Note. - The maximum permissible holding of certificates in case of single and joint holders was increased from Rs. 50,000/1,00,000 to Rs. 75,000/1,50,000 respectively with effect from 21.06.1975.

## 6.

A person or body specified in column 1 of the Table below may purchase certificates on behalf of persons or bodies specified against his or its name in the corresponding entry in column II of the said Table. Provided that the persons or bodies specified in the said column-II are eligible under these rules to purchase certificates and the limit prescribed for them under rule 5 is not exceeded.

I	II
Person or body who can purchase	On behalf of
(i) an adult	a minor
(ii) a co-operative society, a cooperative bank or a scheduled bank	its members, clients, employees or contractors whose monies are held as deposit or otherwise with such society or bank
(iii) a Gazetted Government officer, an officer of a Government company or of a corporation or of a local authority, or an officer of a corporate body like a marketing committee established under a State act and authorised by the State Government in this behalf, in his official capacity, or the Reserve Bank of India.	persons or bodies whose monies are held as deposit or otherwise with such officer or the Reserve Bank.
(iv) an authority controlling the provident fund	individual members

## **7. Calculation of Limits.**

- For the purpose of calculating the limit under these rules:(i)the holding of a person in respect of all his certificates including Post Office Cash Certificates, 3 ½ percent 10-year Treasury Savings Deposit Certificates, 4 percent 10- year Treasury Savings Deposit Certificates, 7-year National Savings Certificates (II Issue), Bank series and 7-year National Savings Certificates (III Issue)-Bank series but excluding 10- year National Plan Certificates shall be taken into account;(ii)a certificate purchased by a person on behalf of any other person shall not be counted as his holding but of the person on whose behalf it is purchased;(iii)a certificate transferred as pledge subsists;(iv)one-half of the joint holdings shall be taken to belong to each holder;(v)a certificate purchased by a provident fund on its own account shall not count as the holding of persons who are members of that fund.

## **8. Procedure for purchase of certificates.**

- Any person desiring to purchase a certificate shall present an application in Form A (obtainable free at all post offices) either in person or through his messenger or an authorised agent of the Small Savings Certificates

## **9. 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 cheque, pay order or demand draft;(iii)presentation of duly signed withdrawal form together with the passbook for withdrawal from the Post Office Savings Bank account;(iv)surrender of a gift coupon;(v)surrender of a matured certificate duly discharged as follows: "Receive payment through purchase of fresh certificate vide application attached."

## **10. Issue of Certificates.**

(1)On payment being made under Rule 9, a certificate shall normally be issued immediately and except as otherwise provided in these rules the date of such certificate shall be the date of its issue provided that when payment is made by means of a cheque, pay order or demand draft, a certificate shall not be issued before the proceeds of the cheque, pay order or demand draft are realised.(2)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 in such a case the date of certificate shall be the date of the provisional receipt.

## **11. and 11A. - Not printed being redundant.**

## **12. Fresh certificate in lieu of proceeds of old certificate.**

- subject to maximum limit prescribed under the rules, if a holder of a certificate who is entitled to encash the certificate (hereinafter referred to in this rule as the old certificate) makes application in Form A for grant of a fresh certificate in lieu of any proceeds of the old certificate, a fresh certificate

shall be issued to him and the date of issue of such certificate shall be the same date as the date of maturity of the old certificate.

### **13. Excess of irregular holdings.**

(1) Any certificate purchased or acquired in excess of the limits prescribed in these rules or in the old rules or in contravention of these rules shall be encashed by the holder as soon as fact of the holding being in excess of the limit or in contravention of these rules is discovered and no interest shall be paid on either the excess holding shall not be considered in excess of the limit prescribed in these rules. Provided that the holding shall not be considered in excess of the limit prescribed in these rules or in the old rules, if it is due to any of the following reasons, namely:-(a) inheritance; (b) award by the Government for meritorious services; (c) survivorship in the case of joint holdings; (d) statutory devolution; and (e) nomination - Provided further that where the Central Government is satisfied that such purchase or acquisition of certificates is due to a bona fide error on the part of the holder thereof, it may authorise payment of simple interest on the face value of the certificate at the same rate as is admissible for the time being in force for the type of in the post office savings bank with which such holder is entitled to open under the provisions of the Post Office Saving Accounts Rules, 1981. (2) If any interest has been paid on any excess holding or any holding which is in contravention of these rules, it shall be forthwith refunded to the Government, failing which, the Government shall be entitled to recover the amount involved from any money payable by the Government to the investor or as an arrear of land revenue.

### **14. Identity slip.**

- If a request to this effect is made at any time by an individual adult holder of a certificate including a holder on behalf of a minor or by joint holders to the Postmaster of the post office where that certificate stands registered, an identity slip shall be issued to such holder or holders on his or their signing the identity slip. (2) The identity slip shall be surrendered at the time of the final discharge of the certificate or in case of its loss shall be furnished to the Post Office in the form laid down by the Director General Post. Note 1. - A thumb impression or mark shall not be accepted in lieu of signature under this sub rule. Note 2. - In the case of Joint B type certificates, if one of the joint holders is literate, and the other illiterate, an identity slip may be issued bearing the signature of the literate holder only provided that a written request is made jointly by both the holders in this behalf and the illiterate holder is identified to the satisfaction of the postal authorities.

### **15. Transfer of certificate from one post office to another.**

(1) A certificate may be transferred from a Post Office at which it stands registered to any another Post Office on the holder or holders making an application in the form laid down by the Director General Posts at either of the two Post Offices. (2) Every such application shall be signed by the holder or holders thereof; provided that in the case of joint type certificate; the application may be signed one of the holders if the other is dead.

## 16. 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 Offices 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
<p>(a) (i) From the authority controlling a provident fund to the member of the fund on whose behalf the certificate was purchased. (ii) From an employer to an employee on whose behalf it was purchased. (iii) From a Co-operative Bank/Society, the Reserve Bank of India or a Scheduled Bank to its client/member or from a Gazetted Government Officer or from a local authority to a person or body of fund on whose behalf the certificate is held, when the certificate was not issued in the name of such person or body or fund. (iv) From the name of a deceased holder to his heir. (v) From a holder to a court of law or to any other person under the orders of a court of law. (vi) From a single holder to the names of two joint holders of whom the transferor shall be one. (vii) From joint holders to the name one of the joint holders.</p>	Head Postmaster or Sub-Postmaster of the post office where the certificate stands registered.
(b) All other cases	Head Postmaster
<p>(2) An authorised Postmaster shall give his consent to the transfer of a certificate only if the following conditions are satisfied, namely:- (a) The transfer of the certificate is effected after the expiry of one year from the date of issue of the certificate or where the transfer is effected before this period, the transfer falls under any of the following categories, namely:- (i) transfer to a near relative out of natural love and affection; Explanation. - 'Near Relative' means a husband, wife, lineal ascendant or descendant, brother or sister. (ii) transfer in the name of the heir of the deceased holder; (iii) transfer from the holder to a court of law or to any other person under the orders of court of law; (iv) transfer in accordance with Rule 19; (v) transfer of a certificate, purchased under items (iii) and (iv) of the Table below Rule 6, from the name of the person or body who purchased the certificate to the name of the person or body on whose behalf it was purchased; (b) An application for the transfer is made in the form laid down by the Director General Posts. Every such application shall be signed by the holder or holders thereof provided that in the case of joint type certificate, the application may be signed by one of the holders if the other is dead. (3) 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 (ii) of section 5 of the Act certified, in writing, that minor is alive and that such transfer is in his interest. (4) In every case of transfer, except the transfer under Rule 19, the original certificate shall be duly discharged and a new certificate bearing the same date as that of the original certificate surrendered shall be issued in the name of the transferee.</p>	

## 17. Omitted

## 18. Conversion from 'A' type Certificate to "B" Type Certificate and vice-versa.

- (i) A joint 'A' Type Certificate may be converted into a joint 'B' Type Certificate in the names of the same holders;
- (ii) A joint 'B' Type Certificate may be converted into a joint 'A' Type Certificate in the names of the same holders.

## 19. Pledging of certificate.

(1) On an application being made in the form laid down by the Director General Posts by the transferor and the transferee, the Postmaster of the office of the registration may, at any time, before or after the period of its non-encashability, 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 purchaser of the certificate certifies 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. (3A) Notwithstanding anything contained in sub-rule (3), the pledger of certificate on which annual interest is payable shall be entitled to receive the annual interest on such certificate. In such a case, the pledged certificate shall be presented to the Post Office at the time of collecting interest for the first time. (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 that he is duly authorised under Article 299 of the Constitution vide Notification No. .... dated ..... issued by the Government of India in the Ministry of ..... /State Government ..... to execute such instruments on behalf of the President of India/ Governor of a State. Note 2. - An officer of the Reserve Bank of India or a scheduled bank or a Co-operative Society including a Co-operative 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) When 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.

## **20. Replacement of lost or destroyed certificates.**

(1)If a certificate is lost, stolen, destroyed, mutilated or defaced, the person or persons entitled thereto may apply for the issue of a duplicate certificate to the post office where the certificate is registered or at any other post office in which case, the application will be forwarded to the post office of registration.(2)Every application be accompanied by:-(a)a statement showing particulars, such as, numbers, amount and date of the certificate and the circumstances attending such loss, theft, destruction, mutilation or defacement.(b)identity slip, if any;(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's furnishing an indemnity bond in form laid down by the Director General, Posts 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 of 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 and the identity slip, if any, are surrendered and the certificate is capable of being identified as the originally issued.(4)A duplicate certificate issued under sub-rule (3) shall be treated as equivalent to the original certificate for the purposes of these rules except that it shall not be encashable at a post office other than the post office at which the certificate is registered without previous verification.(5)If a duplicate certificate has been issued by the Director/Deputy Director, Audit and Accounts, Posts & Telegraphs concerned in lieu of a certificate issued before partition from a post office now in Pakistan and transferred to a post office in India the payment shall be made on the execution of an indemnity bond referred to in sub-rule (3).

## **21. Nomination.**

(1)The holder of the single Holder Type Certificate referred to in clause (i) of sub-rule (2) of Rule 4 may nominate any person who, in the event of death, shall become entitled to the certificate and to the payment of the amount due thereon by selling in the necessary particulars in Form A at the time of purchasing the certificate. If such a holder does not fill the necessary particulars regarding nomination at the time of purchasing the certificate, he may, at any time after the purchase of the certificate, but before the maturity thereof or before the expiry of the period during which the certificate continue to earn interest after maturity, as the case may be, make an application in Form B affixing postage stamps of the value specified in sub-rule (2) of Rule 32 to the Postmaster of the office at which the certificate stands registered, nominating any person who in the event of death shall become entitled to the certificate and to the payment of the amount thereon. Provided that in the case of a certificate of the denomination Rs.100 or below, the holder shall not be entitled to nominate more than one person.(2)No nomination shall be made in respect of a certificate applied



for and held by or on behalf of a minor.(3)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 C affixing postage stamps of the value specified in sub-rule (2) of Rule 32 together with the certificate to the Postmaster of the post office at which the certificate stands registered.Note. - Separate applications shall be made in respect of certificates registered at different times.(4)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.

## **22. When Encashable.**

(1)Except as provided in sub-rule (3), a 12-Year National Defence Certificate of any denomination may be encashed at any time after the expiry of the period of one year from the date of issue.(2)Except as provided in sub-rule (3), a 7-year National Savings Certificate (II Issue) or a 7-year National Savings Certificate (III Issue), of any denomination, may be encashed at any time after the expiry of the period of three years from the date of issue(3)A certificate referred to in sub-rule (1) or sub-rule (2), as the case may be, may be encashed before its period of non-encashability under any of the following circumstances namely:-(a)On the death of the holder or both holders in case of joint holding;(b)On forfeiture by a pledgee being Gazetted Government Officer where the pledge is in conformity with the provisions of these rules(c)when the holding is in excess of the limits prescribed under these rules or the old rules;(d)when a certificate has been issued in contravention of these rules; and(e)When ordered by a court of law.

## **23. 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 production of identity slip or on verification from the post office of issue that the person presenting the certificate for encashment is entitled thereto.

## **24. Discharge of Certificates.**

(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 that 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 32.

## **25. Encashment of minor's certificate.**

(1)A person encashing a certificate on behalf of a minor shall furnish a certificate 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.

## **26. Omitted.**

## **27. Encashment of Certificates held by Army, Air Force and Navy Personnel.**

- Where on the death or desertion of any person holding a certificate and 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) 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, sends, 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 of the 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; the Officer 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.

## **28. Rights of nominees.**

(1)In the event 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.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.

## **29. Partial discharge.**

(1)At any time after the period of its non-encashability, certificate of higher denomination than Rs.10 may be discharged in part such part being Rs. 10 or a multiple thereof.Provided that in respect of a7-Year National Savings Certificates (III Issue) a certificate of higher denomination Rs. 100 may be discharged in part at any time after the period of its non-encashability such part being Rs. 100 or a multiple thereof.(2)The date of issue of certificate(s) for the balance due will be that of the original certificate partly discharged.

### **30. 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 value. (2) The date of the certificate or certificates issued in exchange shall be the same as that of the original certificate surrendered and not the date on which it is exchanged.

### **31. Amount payable on discharge of Certificates.**

- Not printed.

#### **31A. Amount payable on certificates retained after maturity.**

- Not printed.

#### **31B. Amount payable on certificates retained after maturity.**

- Not printed.

#### **31C. Interest.**

(1) Interest on 7-year National Savings Certificates (III Issue) issued prior to the 23rd July, 1974 shall be payable annually at 5% upto the 23rd July, 1974 and at 6 per cent from the 23rd July, 1974. (2) Interest on 7-Year National Savings Certificates (III Issue) issued prior to the 23rd July, 1974 shall be payable annually at 6 per cent.

#### **31D. Maturity bonus.**

- In the case of 7-Year National Savings Certificates (II Issue) issued on or after the 1st May, 1981, and discharged after seven years from the date of issue, a maturity bonus shall be payable in addition to the amount (including interest) specified in clause (d) of sub-rule (2) of Rule 31. The maturity bonus shall be at the rate of Rs.10 for such a certificate of denomination of Rs. 100 and at proportionate rates for such certificates of other denominations.

### **32. Fee.**

(1) A fee of twenty-five paise in the case of a certificate of denomination or rupees one hundred or lower and rupee one in any other case, shall be chargeable in respect of the following transactions, namely:-(i) transfer of a certificate from one person to another, except the transfer from the name of the deceased holder to his heir or from a holder to a court of law or to any other person under the orders of a court of law or transfer made under Rule 19 and the transfer mentioned in sub-clause (v) and (vi) of clause (a) of sub-rule (2) of Rule 16. (ii) issue of duplicate certificate under Rule

20.(iii)issue of certificate of discharge under Rule 24.(iv)partial discharge of a certificate under Rule 29.(v)conversion from one denomination to another under Rule 30.Explanation 1. - The fee to be charged for the issue of a certificate of discharge under clause (iii) shall be calculated separately on the aggregate face value of all certificates which were purchased on any one application and which are included for discharge in the discharge certificate.Explanation 2. - The fee to be charged for a partial discharge under clause (iv) or for a conversion under clause (v) shall be based on the number and denomination of the certificates required to be issued on such discharge on conversion.(2)A fee of 50 paise shall be chargeable on every application for registration of a nomination or of any variation in nomination or cancellation thereof: Provided that no fee shall be chargeable on application for registration of the first nomination.

### **33. 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.

### **34. Rectification of mistakes.**

- (i) The Director General, Posts or (ii) The Postmasters 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.

### **35. Discontinuance of 12-Year National Defence Certificates.**

- There shall be no issue of 12-Year National Defence Certificates after the close of business on the 14th March, 1970.

### **36. Special Provisions.**

- Where the face value of the certificates including the 3 ½ per cent Treasury Savings Deposit Certificates, 4 per cent Treasury Savings Deposits Certificates and 4 ½ per cent Defence Deposit Certificates but excluding the 10-Year National Plan Certificates held by an adult or two adults jointly, prior to the 16th March, 1970 exceeds the limit of Rs. 25,000 and Rs. 50,000 respectively prescribed under Rule 5, but does not exceed the limits permissible prior to the said date, such excess shall not be deemed to be an excess holding under Rule 13.

### **37. Power to relax.**

- Where the Central Government is satisfied that the operation of any of the provisions of these rules 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.