

The National Housing Bank (Tax Saving) Term Deposit Scheme, 2008

UNION OF INDIA

India

The National Housing Bank (Tax Saving) Term Deposit Scheme, 2008

Rule

THE-NATIONAL-HOUSING-BANK-TAX-SAVING-TERM-DEPOSIT-SCHEME of 2008

- Published on 24 October 2008
- Commenced on 24 October 2008
- [This is the version of this document from 24 October 2008.]
- [Note: The original publication document is not available and this content could not be verified.]

The National Housing Bank (Tax Saving) Term Deposit Scheme, 2008Published vide Notification Gazette of India, Extra, Part 3, Section 4, dated 24th October, 2008.

1839.

Noti. No. NHB/RMMD/324, dated 26th September, 2008. - In exercise of the powers conferred by clause (h) of Section 14 of the National Housing Bank Act, 1987 (53 of 1987), the National Housing Bank hereby frames the following scheme, namely:-

1. Short title and commencement.

(1)This scheme may be called the National Housing Bank (Tax Saving) Term Deposit Scheme, 2008.(2)It shall come into force on the date of its publication in the Official Gazette.

2. Definitions.

(1)In this scheme, unless the context otherwise requires,(a)"Act" means the National Housing Bank Act, 1987 (53 of 1987);(b)"depositor" means-(i)An individual; or(ii)A Hindu Undivided Family by whom money is deposited in the term deposit in accordance with this scheme;(c)"Form" means a form as specified by the National Housing Bank;(d)"Term deposit" means a deposit with the National Housing Bank for a fixed period of five years;(e)"Year" means a year commencing on the 1st day of April;(f)"all other words and expressions used in the scheme, but not defined and defined

in the Act, shall have the meanings respectively assigned to them in the Act.

3. Amount of term deposit.

(1) A depositor can deposit in the term deposit any amount not exceeding one lakh rupees in a financial year. (2) The amount to be deposited in the term deposit shall be minimum of ten thousand rupees or multiples thereof.

4. Types of term deposit.

(1) Term deposit shall be of the following types, namely :-(a) Single holder type deposits; (b) joint holder type deposits. (2) (a) The single holder type deposit receipt shall be issued to an individual for himself or in the capacity of the Karta of the Hindu Undivided Family; (b) The joint holder type deposit receipt shall be issued jointly to two adults or jointly to an adult and a minor, and payable to either of the holders or to the survivor : Provided that in the case of joint holder type deposit, the deduction from income under Section 80-C of the Income Tax Act, 1961 (43 of 1961) shall be available only to the first holder of the deposit.

5. Period of deposit.

- The period of deposit shall be not less than five years.

6. Nomination.

(1) Subject to the provisions of Paragraph 4, the single holder or the joint-holders of a term deposit may, by filling in necessary particulars in the prescribed form at the time of making the term deposit, nominate any person who, in the event of death of the time of making the term deposit, nominate any person who, in the event of death of the single holder or both the joint holders, as the case may be, shall become entitled to the deposit and to the payment due thereon. If such nomination is not made at the time of making the term deposit, 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 term deposit receipt is issued, but before its maturity, by means of an application in the prescribed form. (2) No nomination shall be made in respect of a term deposit applied for and held by or on behalf of a minor.

7. Procedure for deposit in term deposit.

- A depositor desiring to deposit in term deposit, shall present and application in the prescribed form at any of the offices of the National Housing Bank or at the designated branches of scheduled banks authorized by the National Housing Bank to receive deposit under this Scheme.

8. Issue of term deposit receipt.

(1)The National Housing Bank shall issue a term deposit receipt to the depositor on receipt of payment.(2)The term deposit receipt shall bear the name, address, Permanent Account Number (PAN), signature of the depositor along with the other usual particulars like date, period. Amount, rate of interest, maturity date, maturity value in case of Cumulative deposit receipt or periodicity of payment of interest in case of Fixed deposit receipt etc.

9. Pledging of term deposit.

- The term deposit shall not be pledged to secure loan or as security to any other asset. No Lien/No Loan shall be affixed on the face of the Term Deposit Receipt itself.

10. Replacement of lost or destroyed term deposit receipts.

(1)If a term deposit receipt is lost, stolen, destroyed, mutilated or defaced, the person entitled thereto may apply for the issue of a duplicate receipt.(2)Every such application shall be accompanied by a statement showing particulars, such as number, amount and date of the receipt, and the circumstance attending such loss, theft, destruction, mutilation or defacement.(3)If the National Housing Bank is satisfied of the loss, theft, destruction, mutilation or defacement of the certificate, it shall issue a duplicate receipt on the applicant furnishing an indemnity bond in the prescribed form with one or more approved sureties or with a bank guarantee. The fact "duplicate receipt issued in lieu of lost receipt No..... will be mentioned on the face of such receipt:Provided that where the face value or the aggregate face value of the certificate or certificates lost, stolen, destroyed, mutilated or defaced is five hundred rupees or less, a duplicate receipt or receipts maybe 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 receipt mutilated or defaced, or whatever face value, a duplicate receipt maybe issued without any such indemnity bond, surety or guarantee, if the receipt mutilated or defaced is surrendered and the receipt is capable of being identified as the one originally issued.(4)A duplicate receipt issued under sub-paragraph (3) shall be treated as equivalent to the original receipt for all the purposes of this scheme.

11. Encashment on maturity.

(1)The maturity period of a term deposit receipt of any denomination shall be five years commencing from the date of the receipt.(2)No term deposit shall be encashed before the expiry of five years from the date of its receipt. Provided however that in the event of the death of the first holder of the deposit in case of a joint-holder type deposit, the other holder of the deposit shall be entitled to encash the term deposit before its maturity by making an application to the National Housing Bank supported by proof of the death of the first holder of the deposit.

12. Rate of interest.

(1)The rate of interest on the term deposit shall be in accordance with the rate fixed by the National housing Bank from time to time.(2)The interest will be paid either in lump sum at the time of maturity or it may be paid yearly/half yearly depending upon the option exercised by the depositor.(a)Fixed Deposit. - The fixed deposit can be issued with half yearly/yearly interest payment option with interest compounded quarterly.(b)Cumulative Deposit. - Interest is compounded at quarterly rests and payable with principal on maturity.

13. Right of nominees.

(1)In the event of the death of the holder of a term deposit 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 term deposit to encash the term deposit.(2)For the purpose of sub-paragraph (1), the surviving nominee or nominees shall make an application 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 receipt at the time of receiving the payment.

14. Payment to legal heirs.

- If a holder of a term deposit dies and there is no nomination in force at the time of his death, the sum due to the deceased, shall be paid to his legal heirs.

15. Income tax.

(1)Interest on these term deposits shall be liable to tax under the Income Tax Act, 1961, on the basis of annual accrual on receipt, depending upon the method of accounting followed by the depositor.(2)The tax on such interest shall be deducted in accordance with the applicable provisions under the Income Tax Act, 1961.