

NATIONAL SAVINGS CERTIFICATES (VIII-ISSUE) SCHEME

(Notified vide G.S.R. 919(E) dated 12/12/2019 and further amended vide
G.S.R. 284(E) dated 05/05/2020)

G.S.R.919 (E).- In exercise of the powers conferred by section 3A of the Government Savings Promotion Act, 1873 (5 of 1873), the Central Government hereby makes the following Scheme, namely:-

1. Short title and commencement.-(1) This Scheme may be called the National Savings Certificates (VIII Issue) Scheme, 2019.

(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) "account" means an account opened under this Scheme;

(b) "account holder" means an individual in whose name the account is held;

(c) "Act" means The Government Savings Promotion Act, 1873 (5 of 1873);

(d) "Form" means forms appended to this Scheme;

(e) "General Rules" means the Government Savings Promotion General Rules, 2018;

(f) "year" means a period of twelve months commencing from the date of deposit in the account.

(2) Words and expressions used herein but not defined shall have the meanings respectively assigned to them in the Act and in the General Rules.

3. Type of accounts.-(1)On an application to the accounts office in Form-1, the following types of accounts can be opened under the Scheme, namely:-

(a) Single Holder Type Account;

(b) Joint A- Type Account; and

(c) Joint B - Type Account.

(2) (a) A Single Holder Type Account may be opened by an adult for himself, or on behalf of a minor or a person of unsound mind of whom he is the guardian; or by a minor who has attained the age of ten years;

(b) Joint A- Type Account may be opened jointly in the names of upto three adults payable to all the holders jointly or to the survivor or survivors;

(c) Joint B-Type Account may be opened jointly in the name of upto three adults payable to any of the account holders or to the survivor or survivors.

4. Deposits.-(1) A minimum of one thousand rupees and any sum in multiples of one hundred rupees may be deposited in an account.

(2) There shall be no maximum limit for deposit in an account or in accounts held by an account holder.

(3) An individual may open any number of accounts.

5. Payment on Maturity.- (1) The deposit shall mature on completion of five years from the date of the deposit. Amount of maturity may be repaid to the account holder on an application in Form-2 submitted to the accounts office.

(2) The maturity value of an account opened between 12th December, 2019 to 31st March, 2020 (both days inclusive) with one thousand rupees shall be One thousand four hundred sixty two rupees and fifty four paisa and proportionate for deposits made with any other sum as per sub-paragraph (1) of paragraph 4. In calculation of maturity value, any amount in fraction of a rupee shall be rounded off to the nearest rupee and for this purpose, any amount of fifty paisa or more shall be treated as one rupee and any amount less than fifty paisa shall be ignored.

(2A) The maturity value of an account opened on or after the 1st Day of April, 2020 with one thousand rupees shall be one thousand three hundred eighty nine rupees and forty nine paisa and proportionate for deposits made with any other sum as per sub paragraph (1) of paragraph 4. In calculation of maturity value, any amount in fraction of a rupee shall be rounded off to the nearest rupee and for this purpose, any amount of fifty paisa or more shall be treated as one rupee and any amount less than fifty paisa, shall be ignored.

Sub paragraph (2) amended and sub paragraph (2A) inserted vide G.S.R. 284(E) dated 05/05/2020

(3) A certificate of annual accrual of interest shall be issued by the accounts office, on demand, to the account holder. 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 the fourth year shall be deemed to have been reinvested on behalf of the holder and aggregated with the amount of face value of the certificate.

TABLE-1

[For the certificates purchased between 12th December, 2019 to 31st March, 2020(both days inclusive)]

The year for which interest accrues	Amount of interest (rupees) accruing on certificate of Rs. 1000 denomination
First Year	79.00
Second Year	85.24
Third Year	91.98
Fourth Year	99.24
Fifth Year	107.08

TABLE-2

[For the certificates purchased on or after the first day of April, 2020]

The year for which interest accrues	Amount of interest (rupees) accruing on
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	certificate of Rs. 1000 denomination
First Year	68.00
Second Year	72.62
Third Year	77.56
Fourth Year	82.84
Fifth Year	88.47

Note: The amount of interest accruing on a certificate of any other denomination shall be proportionate to the amount specified in the Tables above.

Heading of Table 1 amended and Table 2 inserted vide G.S.R. 284(E) dated 05/05/2020

6. Pledging of account.-(1)An Account may be pledged or transferred as security, on an application made by the depositor in Form-3 supported with acceptance letter from the pledgee.

(2) Transfer of an account under this paragraph may be made to-

1. the President of India or the Governor of a State in his official capacity;
2. the Reserve Bank of India or a Scheduled Bank or a Cooperative Society, including a Co-operative Bank;
3. a public or private corporation or a Government company;
4. a local authority; or
5. a housing finance company approved by the National Housing Bank and notified by the Central Government:

Provided that the transfer of an account opened on behalf of a minor or a person of unsound mind shall not be permitted under this rule unless the guardian of the minor or the person of unsound mind, as the case may be, certifies in writing that the minor or the person of unsound mind, as the case may be, is alive and that the transfer is for the benefit of the minor or the person of unsound mind.

(3) When any account is transferred as security under sub-paragraph (1), the authorised officer shall make the following endorsement in the record of the Account, including the Savings Certificate, namely:-

“Transferred as security to” .

(4) Except as otherwise provided in this scheme, the transferee of an account under this paragraph shall, until it is transferred back under sub-paragraph (5), be deemed to be the depositor.

(5) An account transferred under this paragraph may, on written authority of the transferee, be re-transferred back with the previous sanction in writing of the authorised officer and when any such retransfer is made, the authorised officer of the accounts office shall make the following endorsement in the record of the account, including Certificate, namely:-

“transferred back to.....”.

(6) A blind or a person with physical infirmity making him incapable of operating the account may pledge his deposit through any literate individual whom he authorises for this purpose.

7. Premature closure of account.-(1)The account shall not be closed before maturity except in the following cases, namely:-

(a) on the death of the account holder in a single account, or any or all the account holders in a joint account;

(b) on forfeiture by a pledgee being a Gazetted Officer, when the pledge is in conformity with this Scheme;

(c) when ordered by a court.

(2) Where an account is prematurely closed under sub-paragraph (1) before the expiry of one year from the date of deposit, only principal amount shall be payable.

(3) If the account is prematurely closed under sub-paragraph (1) after the expiry of one year but before the expiry of three years from the date of deposit, the premature closure shall be allowed and on such premature closure of the account interest on principal amount at the rate applicable to the Post Office Savings Account from time to time for the complete months for which the account has been held, shall be payable.

(4) If an account is prematurely closed under sub-paragraph (1) after the expiry of three years from the date of the opening, the amount payable, inclusive of interest accrued under paragraph 5 for a deposit of one thousand rupees and at a proportionate rate for other amounts of deposits, shall be as specified in the table below:-

TABLE-1

[Table showing premature closure value of account opened between 12th December, 2019 to 31st March, 2020 (both days inclusive) with 1,000 rupees]

Period from the date of the account to the date of its pre-mature closure	Amount payable inclusive of interest (Rupees)
(1)	(2)
Three years or more, but less than three years and six months	1221.61
Three years and six months or more, but less than four years	1263.05
Four years or more, but less than four years and six months	1305.90
Four years and six months or more, but less than five years	1350.20

TABLE-2

[Table showing premature closure value of account opened on or after 1st day of April, 2020 with 1,000 rupees]

Period from the date of the account to the date of its pre-mature closure	Amount payable inclusive of interest (Rupees)
(1)	(2)
Three years or more, but less than three years and six months	1184.29
Three years and six months or more, but less than four years	1218.15
Four years or more, but less than four years and six months	1252.98
Four years and six months or more, but less than five years	1288.80

Heading of Table 1 amended and Table 2 inserted vide G.S.R. 284(E) dated 05/05/2020

8. Transfer of account from one individual to another.- An account may be transferred from one individual to another, subject to the condition that the transferee is eligible to open an account under this Scheme, in the following cases, namely:-

1. on the death of account holder in case of a single account or on the death of all the account holders in a joint account, the amount shall be transferred to the legal heirs or the nominees as the case may be.
2. on the order of the court, the account shall be transferred from the account holder to the court or to any other individual as per the orders of the court;
3. on pledging, account shall be transferred in accordance with paragraph 6;
4. in the event of the death of any of the account holders in a joint account, the account shall be transferred in the name of the surviving account holder or account holders, as the case may be.

9. Payment on the death of account holder.-(1) In the event of death of the depositor of a single account or of all the depositors in a joint account, the eligible balance in the account shall be payable as specified in paragraphs (2) to (6).

(2) If a nomination is in force at the time of death of the depositor of a single account or all the depositors of a joint account, the nominee may make an application in Form-2 to the accounts office for payment of the eligible balance and the application shall be accompanied by the proof of death of the depositor, and where any other nominee has also died, the proof of death of such nominee.

(3) If there are two or more surviving nominees, the eligible balance shall be paid in the proportion as specified by the depositor while making the nomination, and if no such proportion or share is specified, then in equal proportion to all the surviving nominees.

(4) If any nominee dies, his specified share in the eligible balance shall be distributed among the surviving nominees in the same proportion as their specified shares.

(5) Where the surviving nominee is a minor, the payment shall be made to a person appointed by the depositor to receive such payment and, if no such person has been appointed, to the guardian of the minor.

(6) If a depositor dies 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 as granted in the Indian Succession Act, 1925 (39 of 1925) is not produced within six months from the death of the depositor to the authorised officer of the accounts office where the account stands, then,-

(i) if the eligible amount in the account does not exceed Rs. 5 lakh, the authorised officer of the accounts office or the authority specified by the institution to which the accounts office belongs, may pay the same to any person appearing to him as the rightful claimant and to his satisfaction to be entitled to receive the amount or to administer the estate of the deceased, on an application in Form-2 accompanied by the following documents; namely:-

- (a) death certificate;
- (b) pass book or deposit receipt/statement of account in original;
- (c) Affidavit;
- (d) letter of disclaimer;

(e) Bond of Indemnity;

(ii) if the eligible amount in the account of the deceased is above Rs. 5 lakh, the amount shall be paid by the accounts office to the claimant on submission of ‘Succession Certificate’ issued by the court along with the following documents; namely:-

1. claim form;
2. pass book or deposit receipt or statement of account in original;
3. death certificate of the account holder.

(2) Where there are not more than three surviving nominees or legal heirs, they may, at their option, continue the account and receive the amount of deposit along with interest on maturity in the manner provided for in this Scheme, as if they had opened the account themselves.

(3) Where the account is not continued under sub-paragraph (2), it shall be closed and the amount of deposit along with interest as provided in paragraph 7 shall be paid.

(4) On the death of one or two of the account holders in a joint account, the surviving account holder or holders, if any, shall be treated as the owner or owners of the account and such account holder or holders may continue the account or close the account in the manner specified under sub-paragraph(3).

10. Application of General Rules.- The provisions of the General Rules shall, so far as may be, apply in relation to the matters for which no provision has been made in this Scheme.

11. Power to relax.-Where the Central Government is satisfied that the operation of any of the provisions of this Scheme causes undue hardship to the account holder, it may by order, for reasons to be recorded in writing, relax the requirements of that provision or provisions in a manner not inconsistent with the provisions of the Act.