

Small Saving Schemes

POST OFFICE RECURRING DEPOSIT ACCOUNTS

- Account can be opened by** : A single adult or two adults jointly,
: A guardian on behalf of a minor or a person of unsound mind; or
: A minor who has attained the age of ten year, in his own name.
- Maturity** : Period of maturity of an account is five years.
- Deposits** : Sixty equal monthly deposits shall be made in an account in multiples of Rs.5/- subject to a minimum of Rs.10/-
- Defaults in deposits** : Accounts with not more than four defaults in deposits can be regularized within a period of two months on payment of a default fee. Account becomes discontinued after more than four defaults.
- Rate of interest** : 7.5% quarterly compounded.
- Repayment on maturity** : On maturity of the accounts opened on or after 1st March, 2003, an amount (inclusive of interest) of Rs.728.90 is payable to a subscriber of Rs.10/- denomination account. Amount repayable, inclusive of interest, on an account of any other denomination shall be proportionate to the amount specified above.
- Nomination** : Nomination facility is available.
- Pass Book** : Depositor is provided with a passbook with entries of the deposited amount and other particulars duly stamped by the post Office.
- Loan facility** : Loan up to half of the deposit may be taken after one year and before maturity. This must be repaid together with interest in one or more installments. Loan not repaid is deducted together with interest from the amount payable at the time of closure of the account.
- Premature closure** : Premature closure of accounts is permissible after expiry of three years provided that interest at the rate applicable to post office savings account shall be payable on such premature closure of account.
- Continuation after maturity** : Permissible for a maximum period of five years.
- Income Tax benefit** : No TDS is deducted.