

Opening of Account: Recurring Deposit Account can be opened in any Post Office by filling a prescribed Application Form
Account can be opened through **Mahila Pradhan Kshetriya Bachat Yojana Agent**. The Account can be opened by a single adult or two adults jointly or a minor who has attained the age of 10 years or a guardian on behalf of a minor.

An account may be opened by:-

- (i) To both jointly or survivor, or
- (ii) To either of them or survivor, or
- (c) A guardian on behalf of a minor or a person of unsound mind; or
- (d) A minor who has attained the age of ten years, in his own name.

A depositor can have more than one account in his name or jointly with another.

Deposit: The maturity period of the Account is of Five years and the Depositor have to make Sixty equal monthly deposits the Account. Monthly deposits can be in multiple of Rs.5 with a minimum of Rs.10. The amount of deposit made at the of opening an Account cannot be varied during the period of Account. First monthly deposit shall be made at the time opening the Account and the amount of such deposit shall be the denomination of the Account. Each subsequent monthly deposit shall be made before the end of the calendar month and shall be equal to the First deposit.

Advance deposits- (1) In an account which has not become a discontinued account , deposits for not less than six monthly installment may be made in advance in any calendar month at the option of the depositor and rebate on such deposits be admissible as follows:-

- * Monthly Rs.10 will become Rs.728.90 on maturity
 - * Maturity after 5 years and can be continued for another 5 years on year to year basis
 - * Minimum Rs.10 per month or any amount above in multiple of Rs.5
 - * No maximum limit on amount per month in one Account as well any number of Accounts can be opened
 - * One withdrawal up to 50 per cent of the balance allowed after 1 year
 - * 6 months and 12 months advance deposits earn rebate
 - * Deposit exempted from Wealth Tax
 - * Account can be opened through Mahila Pradhan Kshetriya Bachat Yojana Agents
 - * Account can also be opened through Payroll Savings Scheme.
 - * A single adult; or
 - * Two adult jointly, the amount due on the account being payable-
- Advance deposits Rebate for an account of Rs.10 denomination
- (i) Six or more deposits but not exceeding eleven deposits made in any calendar month.

(2) For accounts of other denominations, the amount of rebate shall be proportionate to the rate specified.

Defaults in Deposits: In case of defaults in the monthly deposits, the depositor may, at his discretion, extend the maturity period of the Account by as many months as the number of defaults and deposit the defaulted installments during extended period. The main condition for this is, there should not be more than Four defaults. If there are more than defaults, the Account shall be treated as discontinued. Revival of the Account shall be permitted only within a period of months from the month of Fifth default. Interest at the rate of ten paise for every Five rupee of defaulted installment for each month of default shall also be paid along with such deposit in lump sum. The Account in which defaulted installments are deposited, shall not be treated as discontinued.

Repayment on Maturity: Amount repayable, inclusive of interest are paid at the maturity, after Five years, in lump sum the Depositor. The interest paid varies as per declared by the Directorate from time to time. Where an Account has become discontinued or where the defaults in monthly deposits in an Account have not been rectified during the maturity period maturity period is extended, the Depositor shall be entitled, on expiry of such period, to receive an amount, inclusive interest.

The Recurring Deposit Account matures on the date on which it is opened after the end of the term. In case the date maturity falls on Sunday or postal holiday, the payment should be deemed to be due on the

business day immediately preceding the date of maturity. In case of discontinued Account that is Account having more than permissible defaults, Depositor is not allowed to deposit the defaulted installments after the date of maturity in order to get the maturity extended. In such case only proportionate amount will be paid. If the deposit of defaulted installment is accepted after date of maturity, this will be treated as irregular deposit and will be refunded back to the depositor.

Premature Closure: The holder of an Account may prematurely close the Account after Three years of date of opening the Account provided that interest at the rate applicable from time to time to Post Office Savings Account shall be payable such premature closure of Account. No premature closure is allowed till the period for which advance deposits are made.

Continuation of Account After Maturity: The Depositor can continue the Account for a further period, by paying monthly deposits in the Post Office for maximum up to Five years and can close such extended Account any time in the extended period and take the payment. The Depositor can also continue the Account and retain in it the amount of repayment for further period up to a maximum of Five years, without making any fresh deposits during such extended period. The interest calculated on such retained deposit shall be at the rate applicable from time to time to Saving Accounts.

Features of the Scheme

The Post Office Recurring Deposit Scheme is issued vide Ministry of Finance (DEA) Notification No. F.3/15/81 December 17, 1981 and further amended from time to time. This is the best scheme for small savings from monthly budget.

The scheme is very much famous in housewives also for regular monthly investments.

The scheme can be obtained by any individual solely or jointly or by a minor. There is no limit on the number of accounts well amount of monthly deposit. There is no tax deducted at source and the deposit is also exempted from the Wealth So this scheme is also beneficial to invest under the Pay Roll Savings Scheme.

The facility of Protected Savings Scheme is also available. That means, where a Depositor in a single Account or a surviving

Depositor in a joint account dies during the maturity period of an Account, the legal heir of such Depositor, shall receive the amount as if the Depositor had paid all the Sixty monthly deposits, subject to conditions:

1. The payment of full maturity value under this rule shall be restricted to the maturity value of an Account denomination of Fifty.
2. The Account has not become a discontinued Account.
3. The period from the date of opening the Account to the date of death of the Depositor or surviving Depositor, is less than Two years.
4. The first Twenty-four monthly deposits have been made without default.
5. The age of Depositor is not less than Eighteen years and not more than Fifty-three years.

(ii) Twelve or more deposits made in any calendar month.

Four rupees for every twelve deposits and one rupee for the balance, if any, of not less than six deposits.

6. No withdrawal has been made from the Account during the first Twenty-four month

Interest earned on recurring deposit of Rs. 100/-

Period	1/1/1999 to 14/1/2000	15/1/2000 to 28/1/2001	1/3/2001 to 28/2/2002	1/3/2002 to 28/2/2003	After 1/3/2003
Interest Rate	11.5	10.5	9.0	8.5	7.5
First Year	78	69	60	56	50
Second Year	229	207	177	167	145
Third Year	402	360	305	286	200
Forth Year	594	531	445	417	412
Fifth Year	808	729	598	559	482
Total Interest	2111	1896	1585	1485	1289

