

No. FS-10/17/2020-FS
Government of India
Ministry of Communications
Department of Posts
(F.S. Division)

Dak Bhawan, New Delhi – 110001

Dated: 27.03.2023

To,

All Head of Circles / Regions

Subject: Clarification on premature closure of NSC account pledged in favour of banks – Regarding.

Rule 7(1) of National Savings Certificate Scheme, 2019 provides that 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. Tamil Nadu Circle in Lr. No. SB/100-33/2020/Dlgs dated 11.01.2023 requested for clarification and guidance on premature encashment of NSCs on forfeiture by the Senior Manager, Bank of India which is also a nationalized bank. Hence, the matter was taken up with the Department of Economic Affairs, Ministry of Finance.

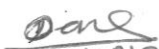
3. In response, Department of Economic Affairs, Ministry of Finance in OM No. 14/3/2018-NS dated 20.03.2023 informed that the premature closure of the account is permissible under Paragraph 7(1) of National Savings Scheme, 2019 and can be done under this paragraph by following the prescribed conditions. A copy of the DEA, MoF's OM is attached for reference.

4. This may be circulated to all the Offices for information and necessary actions.

5. This is issued with the approval of competent authority.

Encl: As above.

Yours faithfully


27/03/2023.
(DEVENDRA SHARMA)
Asst. Director (SB-II)

Copy to:-

1. Sr. PPS to Secretary (Posts)
2. PS to Director General Postal Services.
3. PPS/ PS to Addl. DG (Co-ordination)/Member (Banking)/Member (O)/Member (P)/ Member (Planning & HRD)/Member (PLI)/Member (Tech)/AS & FA
4. Addl. Director General, APS, New Delhi
5. Chief General Manager, BD Directorate / Parcel Directorate / PLI Directorate
6. Sr. Deputy Director General (Vig) & CVO) / Sr. Deputy Director General (PAF)
7. Director, RAKNPA / GM, CEPT / Directors of all PTCs.
8. Director General P & T (Audit), Civil Lines, New Delhi
9. Secretary, Postal Services Board/ All Deputy Directors General
10. All General Managers (Finance) / Directors Postal Accounts / DDAP
11. Chief Engineer (Civil), Postal Directorate
12. All recognized Federations / Unions / Associations
13. The Under Secretary, MOF (DEA), NS-II Section, North Block, New Delhi.
14. The Joint Director & HOD, National Savings Institute, ICCW Building, 4 Deendayal Upadhyay Marg, New Delhi-110002
15. GM, CEPT, Bengaluru.
16. Guard File

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27/03/2023
(DEVENDRA SHARMA)
Asst. Director (SB-II)

62/5
20/3/23

F.No.14/3/2018-NS
Ministry of Finance
Department of Economic Affairs
(Budget Division)

North Block, New Delhi
Dated: March 20, 2023

OFFICE MEMORANDUM

Sub: Clarification on premature closure of NSC account pledged in favour of banks -
Reg.

The undersigned is directed to refer to DoP ID No.FS-10/17/2020-FS dated 10.02.2023 on the subject cited above. The matter has been examined in this Department and it is to inform that the premature closure of the account is permissible under paragraph 7(1) of the National Savings Scheme, 2019 and can be done under this paragraph by following the prescribed conditions.

AKM/L
20/3
(A K Malhotra)
Section Officer(NS)
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Ministry of Communications
{AD(SB-I), Department of Posts}
Dak Bhawan
New Delhi