

ಭಾರತೀಯ ಅಂಚೆ ಇಲಾಖೆ / भारतीय डाक विभाग / Department of Posts

ಮುಖ್ಯ ಪೋಸ್ಟ್ ಮಾಸ್ಟರ್ ಜನರಲ್ ರವರ ಕಚೇರಿ, ಕರ್ನಾಟಕ ವೃತ್ತ, ಬೆಂಗಳೂರು - 560 001

मुख्य पोस्ट मास्टर जनरल का कार्यालय, कर्नाटक परिमंडल, बेंगलूरु - ५६०००१

Office of the Chief Postmaster-General, Karnataka Circle Bengaluru – 560 001.

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To

The Postmaster General,

North Karnataka / Bengaluru HQ / South Karnataka Region,

Dharwad – 580 001 / Bengaluru 560 001.

**No: FS-08/1/2022 Dated at Bengaluru - 560 001 the 06-03-2026**

**Sub: Clarification regarding closure of NSS-87/92 (HUF) Accounts – reg.**

**Ref:** 1. Letters received from Regions seeking clarification on NSS-87 (HUF) accounts.

2. SB Order No. 07/2024 dated 18.09.2024.

3. MoF (DEA) Notification GSR 537(E) dated 29.08.2024.

4. SB Order No. 07/2005 and DO No. 113-10/2004-SB dated 05.09.2005.

5. SB Order No. 20/2005 dated 14.11.2005

6. Directorate letter No. FS-10/21/2024-FS-DoP-Part (1) dated 04.02.2025 issued to Tamil Nadu Circle.

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With reference to the above, clarifications were sought regarding the validity, continuation and closure of NSS-87 / NSS-92 accounts opened in the name of Hindu Undivided Families (HUFs). The matter has been examined in light of the relevant Scheme Rules, MoF notifications, SB Orders and Directorate clarification cited above. The consolidated position is clarified as under:

### 1. Eligibility of HUF under NSS-87 / NSS-92

As per MoF (DEA) Notification GSR 763(E) dated 15.09.1992 and related instructions issued at the time, the term "Depositor" under NSS-87 included:

- An Individual,
- A Hindu Undivided Family (HUF), and
- An Association of Persons/Body of Individuals (as specified).

Accordingly, HUFs were valid and eligible subscribers under NSS-87 / NSS-92 when such accounts were opened in accordance with the rules then in force. Therefore, such accounts cannot be treated as irregular merely on the ground of HUF status.

### 2. Applicability of SB Order No. 07/2005 & SB Order No. 20/2005

The restrictions introduced vide SB Order No. 07/2005 and DO dated 05.09.2005 (effective from 13.05.2005), limiting investments in small savings schemes to individuals only, are **prospective in nature** and apply only to six schemes notifications issued by Ministry of Finance, Vide DO No. 2/8/2005-NS-II dated 13.05.2005 as stated in SB order 07/2005.

Further, as per SB Order No. 20/2005 dated 14.11.2005, it was clarified at Point No. 3 that "This Office vide para (c) of DO No. 113-10/2004-SB dated 5<sup>th</sup> September 2005, had clarified that the amendments dated 13.05.2005 under the various small savings schemes shall not be applicable to the existing accounts/certificates opened/ issued in accordance with the earlier rules and these would continue till maturity and enjoy all facilities available under the earlier rules. The maturity period of such accounts, however, cannot be further extended in terms of amendments dated 13.05.2005."

The said clarification explicitly states that amendments shall not apply to accounts/certificates opened/ issued in accordance with the rules in force prior to 13.05.2005.

Since:

- NSS-87 / NSS-92 accounts were opened prior to the above cut-off date; and
- These schemes had already been discontinued for fresh subscriptions before issuance of the above restriction,

The provisions of SB Order No. 07/2005 do **not** render existing NSS-87 / NSS-92 (HUF) accounts invalid.

This office has also received a few references regarding the Gazette of India Notification G.S.R. 509(E) dated 27.07.2005 concerning the admissibility of interest in HUF accounts up to 31.12.2005 only. It is hereby clarified that the said notification issued vide G.S.R. 509(E) dated 27.07.2005 is applicable only to the Post Office Savings Account Rules, 1981.

### **3. Maturity Position**

NSS-87 accounts do not have a prescribed maturity period under the Scheme Rules. Directorate has also clarified that such accounts shall continue as per rules applicable to the scheme until closure. Hence, they cannot be declared irregular on the ground of non-maturity.

### **4. Interest Regulation – SB Order No. 07/2024**

As per MoF (DEA) Notification GSR 537(E) dated 29.08.2024, circulated vide SB Order No. 07/2024:

The balances at the credit of subscribers under NSS-87 shall bear **no interest on or after 01.10.2024**.

Accordingly:

- Interest is admissible only up to **30.09.2024**.
- No interest shall accrue from **01.10.2024 onwards**.
- The above applies uniformly to all NSS-87 accounts, including those held by HUFs, provided they were opened as per rules then in force.

The notification does not declare existing HUF accounts void nor does it mandate compulsory closure.

## 5. Operational Guidelines

In view of the above, the following instructions shall be followed:

1. NSS-87 / NSS-92 (HUF) accounts opened as per rules prior to 13.05.2005 shall be treated as valid.
2. Such accounts may be closed **on request of the depositor**.
3. Interest shall be calculated and allowed only up to 30.09.2024.
4. If any interest has been credited beyond 30.09.2024, the same shall be treated as excess payment and recovered as per prescribed procedure.
5. No fresh deposits are permissible.
6. No conversion of HUF accounts into individual accounts is allowed.
7. While disposing of claims (including deceased claims), interest eligibility shall be regulated strictly in accordance with SB Order No. 07/2024.
8. All cases shall be examined with reference to the date of opening and compliance with rules then in force.

## 6. Summary of Legal Position

Aspect	Clarified Position
Validity of NSS-87 HUF accounts	Valid if opened as per rules then in force
Applicability of SB Order 07/2005	Not applicable retrospectively
Interest admissible	Up to 30.09.2024 only
Interest from 01.10.2024	Nil
Compulsory closure	Not ordered
Recovery of excess interest	Required, if credited beyond 30.09.2024

Regions are requested to circulate the above clarification to all Divisions/HO for strict compliance and ensure uniform implementation.

This issues with the approval of the Chief Postmaster General.

सहायक निर्देशक (वित्तीय सेवा) / Assistant Director (FS)  
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