

**THE GOVERNMENT SAVINGS BANKS ACT, 1873**  
**ACT No. 5 OF 1873<sup>1</sup>**

[28th January, 1873.]

**An Act to amend the law relating to Government Savings Banks.**

**Preamble.-** WHEREAS it is expedient to amend the law relating to the payment of deposits in Government Savings Banks; It is hereby enacted as follows:-

*Preliminary*

**1. Short title.-** This Act may be called the Government Savings Banks Act, 1873.

**Local extent.-** It extends to <sup>2</sup>[the whole of India <sup>3</sup> \* \* \*].  
<sub>4 \* \* \* \*</sub>

<sup>5</sup>[**2. Act not to apply to deposits in Anchal Savings Bank.-** This Act shall not apply to any deposits made in the Anchal Savings Bank of the State of Travancore-Cochin, and, notwithstanding anything contained in this Act, any law in force in the said State immediately before the commencement of the Part B States (Laws) Act, 1951, (3 of 1951) relating to such deposits, shall continue to apply thereto as if that law had not been repealed.]

**3. Interpretation-clause.-** In this Act-

“depositor” means an individual by whom, or on whose behalf money has been heretofore, or shall be hereafter, deposited in a Government Savings Bank, and “deposit” means money so deposited:

<sup>6</sup>[“Secretary” means, in the case of a Post Office Savings Bank, the Postmaster-General appointed for the area in which the Savings Bank is situate], <sup>7</sup>[or if that area is in Pakistan, by the Postmaster-General for such area in India as the Central Government may by general or special order specify in this behalf]:

<sup>8</sup>[“minor” means a person who is not deemed to have attained his majority under the Indian Majority Act, 1875 (9 of 1875):]

<sup>9</sup>[“prescribed” means prescribed by rules made under this Act.]

***Deposits belonging to the estates of deceased persons***

<sup>10</sup>[**4. Nomination by depositor.-** (1) Notwithstanding anything contained in any law for the time being in force, or in any disposition, whether testamentary or otherwise, by a depositor in respect of his deposit, where any nomination made in the prescribed manner purports to confer on any person the right to receive the deposit on the death of the depositor, the nominee shall, on the death of the depositor become entitled, to the exclusion of all other persons, to be paid the deposit, unless the nomination is varied or cancelled in the prescribed manner.

(2) Any nomination referred to in sub-section (1) shall become void if the nominee predeceases, or where there are two or more nominees, all the nominees predecease, the depositor.

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<sup>1</sup> . The Act has been extended to the Union territory of Goa, Daman and Diu *vide* Notification No. S.O. 2734 dated 1<sup>st</sup> September, 1962, *see* Gazette of India, Extraordinary, Pt. II, Sec. 3(ii), p.1991, extended to and brought into force in Dadra and Nagar Haveli by Reg. 6 of 1963, s. 2 and Sch.I (w.e.f. 1-7-1965 and to the whole of the Union Territory of Lakshadweep by Reg. 8 of 1965, s.3 and Sch. (w.e.f. 1-10-1967). The Act came into force in Pondicherry on 1-10-1963 *vide* Reg. 7 of 1963, s. 3 and Sch. I.

<sup>2</sup> . Subs. by the A.O. 1950, for “all the Provinces of India” which had been subs. by the A.O. 1948, for “the whole of British India”.

<sup>3</sup> . The words “except the State of Jammu and Kashmir” which were subs. by Act 3 of 1951, for “except Part B States” omitted by Act 62 of 1956, s. 2 and Sch.

<sup>4</sup> . The commencement cl.rep.by Act 16 of 1874, s. 1 and Sch., Pt.I.

<sup>5</sup> . Ins. by Act 3 of 1951, s. 3 and Sch. The original s. 2 was rep. by Act 12 of 1873, s. 1 and Sch., Pt.II.

<sup>6</sup> . Subs. by Act 16 of 1923, s. 2, for the original definition.

<sup>7</sup> . Ins. by the A. O. 1948.

<sup>8</sup> . Subs. by Act 13 of 1916, s. 2 and Sch., for the original definition.

<sup>9</sup> . Ins. by Act 45 of 1959, s. 2.

<sup>10</sup> . Subs. by Act 45 of 1959, s. 3, for the former s. 4.

*(Deposits belonging to the estate of deceased persons.)*

(3) Where the nominee is a minor it shall be lawful for the depositor to appoint in the prescribed manner any person to receive the deposit in the event of his death during the minority of the nominee.

**4A. Payment on death of depositor.-** (1) If a depositor dies and there is in force at the time of the death of the depositor a nomination in favour of any person, the deposit shall be paid to the nominee.

(2) Where the nominee is a minor, the deposit shall be paid-

(a) in any case where a person has been appointed to receive it under sub-section (3) of section 4, to that person; and

(b) where there is no such person, to the guardian of the minor for the use of the minor.

(3) Where a deposit is payable to two or more nominees and either or any of them is dead, the deposit shall be paid to the surviving nominee or nominees.

(4) 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 granted under the Indian Succession Act, 1925 (39 of 1925), is not within three months of the death of the depositor produced to the Secretary of the Government Savings Bank in which the deposit is, then-

(a) if the deposit does not exceed <sup>1</sup>[such limit as may be prescribed] the Secretary may pay the same to any person appearing to him to be entitled to receive it or to administer the estate of the deceased; and

(b) within the <sup>2</sup>[limit prescribed under clause (a)], any officer employed in the management of a Government Savings Bank who is empowered in this behalf by a general or special order of the Central Government may, to the extent to which he is empowered by such order and subject to any general or special orders of the Secretary in this behalf, pay the deposit to any person appearing to him to be entitled to receive it or to administer the estate.

(5) Nothing contained in this section shall be deemed to require any person to accept payment of a deposit, which is a time deposit, before it has become due.]

**5. Payment to be a discharge.-** <sup>3</sup>[Any payment made in accordance with the foregoing provisions of this Act] shall be a full discharge from all further liability in respect of the money so paid:

**Saving of right of executor.-** But nothing herein contained precludes any executor or administrator, or other representative of the deceased, from recovering from the person receiving the same the amount remaining in his hands after deducting the amount of all debts or other demands lawfully paid or discharged by him in due course of administration.

**Saving of right of creditor.-** And any creditor or claimant against the estate of the deceased may recover his debt or claim out of the money paid under this Act, <sup>4</sup> \* \* \* to any person, and remaining in his hand unadministered, in the same manner and to the same extent as if the latter had obtained letters of administration of the estate of the deceased.

**6. Security for due administration.-** The Secretary of any such Bank <sup>5</sup>[or any officer empowered <sup>6</sup>[under sub-section (4) of section 4A]] may take such security as he thinks necessary from any person <sup>7</sup>[to whom he pays any money under sub-section (4) of section 4A] for the due administration of the money so paid, and he may assign the said security to any person interested in such administration.

**7. Power to administer oath.-** For the purpose of ascertaining the right of the person claiming to be entitled as aforesaid, the Secretary of any such Bank <sup>7</sup>[or any officer empowered <sup>6</sup>[under sub-section (4) of section 4A]] may take evidence on oath or affirmation according to the law<sup>8</sup> for the time being relating to oaths and affirmations.

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<sup>1</sup> . Subs. by Act 56 of 1985, s. 2, for "Five thousand rupees".

<sup>2</sup> . Subs. by s. 2, *ibid.*, for certain words.

<sup>3</sup> . Subs. by Act 45 of 1959, s. 4 for "Such payment".

<sup>4</sup> . Of the words "or the said Act No. 26 of 1855" the words "the said" were omitted by Act 12 of 1891, s. 2 and Sch. I, Pt. I, and the remaining words by Act 45 of 1959, s. 4.

<sup>5</sup> . Ins. by Act 16 of 1923, s. 4.

<sup>6</sup> . Subs. by Act 45 of 1959, s. 5, for "under section 4".

<sup>7</sup> . Subs. by s. 5, *ibid.*, for "to whom he pays any money under section 4".

<sup>8</sup> . *See* the Indian Oaths Act, 1873 (10 of 1873).

*(Deposits belonging to the estate of deceased persons. Deposits belonging to minors. Deposits belonging to lunatics. Deposits made by married women. Miscellaneous.)*

**Penalty for false statements.-** Any person who, upon such oath or affirmation, makes any statement which is false, and which he either knows or believes to be false or does not believe to be true, shall be deemed guilty of an offence under section 193 of the Indian Penal Code (45 of 1860).

**8. Deposit when excluded in computing court fees.-** Where the amount of the deposit belonging to the estate of a deceased depositor does not exceed <sup>1</sup>[three thousand rupees,] such amount shall be excluded in computing the fee chargeable, under the Court-fees Act, 1870 (7 of 1870), on the probate, or letters of administration, or certificate (if any), granted in respect of his property<sup>2</sup>:

Provided that the person claiming such probate or letters or certificate shall exhibit to the Court authorised to grant the same a certificate of the amount of the deposit in any Government Savings Bank belonging to the estate of the deceased. Such certificate shall be signed by the Secretary of such Bank, and the Court shall receive it as evidence of the said amount.

**9.** *[Act not to apply to deposits belonging to estates of European Soldiers or deserters.] Rep. by the Government Savings Banks (Amendment) Act, 1959 (45 of 1959), s. 7.*

### ***Deposits belonging to minors***

**10. Payment of deposits to minor or guardian.-** Any deposit made by, or on behalf of, any minor, may be paid to him personally, if he made the deposit, or to his guardian for his use, if the deposit was made by any person other than the minor, together with the interest accrued thereon.

The receipt of any minor or guardian, for money paid to him under this section, shall be a sufficient discharge therefor.

**11.** *[Legalization of like payments heretofore made.] Rep. by the Government Savings Banks (Amendment) Act, 1959 (45 of 1959), s. 7.*

### ***Deposits belonging to lunatics***

**12. Payment of deposits belonging to lunatics.-** If any depositor becomes insane or otherwise incapable of managing his affairs, and if such insanity or incapacity is proved to the satisfaction of the Secretary of the Bank in which his deposit may be,

such Secretary may, from time to time, make payments out of the deposit to any proper person, and the receipt of such person, for money paid under this section, shall be a sufficient discharge therefor,

Where a committee or manager of the depositor's estate has been duly appointed, nothing in this section authorizes payments to any person other than such committee or manager.

### ***Deposits made by married women***

**13. Payment of married women's deposits.-** Any deposit made by or on behalf of a married woman, or by or on behalf of a woman who afterwards marries, may be paid to her, whether or not <sup>3</sup>[section 20 of the Indian Succession Act, 1925 (39 of 1925), applies to her marriage; and her receipt for money paid to her under this section shall be a sufficient discharge therefor.

### **<sup>4</sup>*Miscellaneous***

**14. Protection of action taken in good faith.-** No suit or other legal proceeding shall lie against the Secretary or any other officer of the Government in respect of any thing which is in good faith done or intended to be done under this Act.

**15. Power to make rules.-** (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

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<sup>1</sup>. Subs. by Act 17 of 1917, s. 2, for "one thousand rupees".

<sup>2</sup>. Cf. the Savings Bank Act, 1828 (9 Geo. 4, c. 92), s. 40, now rep. by the Savings Banks Act, 1863 (26 and 27 Vict., c. 87).

<sup>3</sup>. Subs. by Act 45 of 1959, s. 8, for "the Indian Succession Act, 1865, section 4".

<sup>4</sup>. Subs. by s. 9, *ibid.*, for the heading "Rules", and s. 14.

*(Miscellaneous)*

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

- (a) the persons by whom and the terms and conditions subject to which deposits may be made in a Government Savings Bank;
- (b) the maximum limits of deposits and the conditions as to interest or discount relating to deposits generally, or any class of deposits in particular;
- (c) the non-accrual of interest on deposits when the maximum limits are exceeded and the recovery of any interest paid in excess in the same manner as an arrear of land revenue or in any other manner;
- (d) the persons to whom and the manner in which deposits may be paid;
- (e) the form of nominations, the manner in which, the persons in whose favour and the conditions and restrictions subject to which, nominations may be made and the registration of nominations;
- (f) the variation or cancellation of nominations;
- (g) the fees that may be levied for registration of nominations and for variations or cancellation thereof;
- (h) the manner in which any person may be appointed for the purpose of sub-section (3) of section 4;
- <sup>1</sup>[(i) the limit under clause (a) of sub-section (4) of section 4A."].

(3) Every rule made under this section shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or <sup>2</sup>[in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid] both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of any thing previously done under that rule.]

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<sup>1</sup>. Ins. by Act 56 of 1985, s. 3.

<sup>2</sup>. Subs. by Act 20 of 1983, s. 2 and Sch. (w.e.f. 15-3-1984).