

Post Office Time Deposit Account (TD)

Interest payable, Rates, Periodicity etc.	Minimum Amount for opening of account and maximum balance that can be retained
Interest payable annually but calculated quarterly.	Minimum INR 1000/- and in multiple of 100. No maximum limit.

Interest rates From 01.04.2024 to 30.06.2024

Period	Rate
1yr.A/c	6.9%
2yr.A/c	7.0%
3yr.A/c	7.1%
5yr.A/c	7.5 %

Salient features

- **(a)Who can open :-**
 - (i) a single adult
 - (ii) Joint Account (up to 3 adults) (Joint A or Joint B)
 - (iii) a guardian on behalf of minor
 - (iv) a guardian on behalf of person of unsound mind
 - (v) a minor above 10 years in his own name.
- Note:- Any number of account can be opened.
- **(b)Deposits :-**
 - (i) Account type for 1 year, 2 year, 3 year, 5 year.
 - (ii) Account can be opened with minimum of Rs. 1000 and in multiple of Rs. 100. No maximum limit for investment.
 - (iii) Interest shall be payable annually, No additional interest shall be payable on the amount of interest that has become due for payment but not withdrawn by the account holder.
 - (iv) The annual interest may be credited to the savings account of the account holder by submitting application.
 - (v) The investment under 5 year TD qualifies for the benefit of section 80C of Income Tax Act, 1961.
- **(c)Maturity :-**
 - (i) Deposit amount shall be repayable after expiry of 1 year, 2 year, 3 year, 5 year (as the case may be) from the date of opening.
- **(d)Extension of Account :-**
 - (i) On maturity depositor may further extend TD account for another tenure for which account was initially opened.
 - (ii) TD account can be extended from date of maturity within the following prescribed period.. 1 year TD = within 6 months of maturity. 2 year TD = within 12 months of maturity. 3/5 year TD = within 18 months of maturity.
 - (iii) At the time of opening of account depositor can submit request for extension of account from the date of maturity.
 - (iv) TD account can be extended after maturity by submitting prescribed application form at concerned Post Office along with passbook.
 - (v) Interest rate applicable to respective TD account on the day of maturity shall be applicable to the extended period.

- **(e) Premature closure of Account :-**
 - (i) No deposit shall be withdrawn before the expiry of six months from the date of deposit.
 - (ii) If TD account closed after 6 month but before 1 year, PO Savings Account Interest rate will be applicable.
 - (iii) If 2/3/5 year TD account prematurely closed after 1 year, interest shall be calculated 2 % less than of TD interest rate (i.e. 1/2/3 years) for completed years, and for part period less than a year, PO Savings Interest rates will be applicable.
 - (iv) TD account can be closed prematurely by submitting prescribed application form with pass book at concerned Post Office.
- **(f) Pledging of TD account :-**
 - (i) A TD account may be pledged or transferred as security, by submitting prescribed application form at concerned Post Office supported with acceptance letter from the pledgee.
 - (ii) Transfer/pledging can be made to the following authorities.
 - The President of India/Governor of the State.
 - RBI/Scheduled Bank/Co-operative Society/Co-operative Bank.
 - Corporation (public/private)/Govt. Company/Local Authority.
 - Housing finance company.