

THE GOVERNMENT SAVINGS BANKS (AMENDMENT)
ACT, 1959

No. 45 OF 1959

[18th September, 1959]

An Act further to amend the Government Savings Banks Act, 1873.

BE it enacted by Parliament in the Tenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Government Savings Banks (Amendment) Act, 1959.

Amendment of section 3. 2. In section 3 of the Government Savings Banks Act, 1873 (hereinafter referred to as the principal Act), after the definition of "minor", the following definition shall be inserted, namely:—

"prescribed" means prescribed by rules made under this Act.

Substitution of new sections for section 4. 3. For section 4 of the principal Act, the following sections shall be substituted, namely:—

Nomination by depositor.

"4. (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 supports 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.

(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. (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. Payment on death of depositor.

(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, 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 five thousand rupees, 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 aforesaid limit of five thousand rupees, 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.”.

4. In section 5 of the principal Act,—

(a) for the words “Such payment”, the words “Any payment made in accordance with the foregoing provisions of this Act” shall be substituted;

Amendment
of section 5.

(b) the words and figures "or Act No. 26 of 1855" shall be omitted.

Amendment
of section 6.

5. In section 6 of the principal Act,—

(a) for the words and figure "under section 4", the words, brackets and figures "under sub-section (4) of section 4A" shall be substituted;

(b) for the words and figure "to whom he pays any money under section 4", the words, brackets, and figures "to whom he pays any money under sub-section (4) of section 4A" shall be substituted.

Amendment
of section 7.

6. In section 7 of the principal Act, for the words and figure "under section 4", the words, brackets and figures "under sub-section (4) of section 4A" shall be substituted.

Omission
of sections 9
and 11.

7. Section 9 and 11 of the principal Act shall be omitted.

Amendment
of section
13.

8. In section 13 of the principal Act, for the words and figures "the Indian Succession Act, 1865, section 4", the words and figures "section 20 of the Indian Succession Act, 1925" shall be substituted. ^{10 of 1865.} ^{39 of 1925.}

Substitution
of new
sections for
section 14.

9. For the heading "Rules" and for section 14 of the principal Act, the following heading and sections shall be substituted, namely:—

"MISCELLANEOUS

Protection of
action taken
in good
faith.

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

Power to
make rules.

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

(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 nomination;

(g) the fees that may be levied for registration of nominations and for variation or cancellation thereof;

(h) the manner in which any person may be appointed for the purpose of sub-section (3) of section 4.

(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 in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, 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 anything previously done under that rule."