

**Prohibition against opening of savings bank
accounts in the name of certain bodies/organisations**

DBOD No. Dir.BC 35 /13.03.00/2000-01

October 17, 2000
Ashwina 25, 1922(S)

All Commercial Banks
(including Regional Rural Banks)

Dear Sirs,

**Prohibition against opening of savings bank
accounts in the name of certain bodies/organisations**

Please refer to paragraph 3(i) of our directive DBOD No. Dir. BC 151/C.347-85 dated December 27, 1985, as amended from time to time, regarding prohibition against opening of savings bank accounts in the name of Government departments/local bodies, etc. who are dependent upon budgetary allocations/grants for performance of their functions. Certain agencies/bodies (as mentioned in paragraph 3(ii) thereof) have been permitted by Reserve Bank of India over the years to open savings bank accounts on a case to case basis by granting exemption from the aforesaid prohibition.

2. On a review of the matter, it has now been decided to allow banks to open savings bank accounts in the name of Government departments/bodies/ agencies in respect of grants/subsidies released for implementation of various programmes/schemes sponsored by Central Government on production of an authorization to the bank from the respective Government departments certifying that the concerned Government departments or body has been permitted to open savings bank account. Banks should keep on their record a copy of the authorization issued by the respective Central Government departments. Accordingly, clause (ii) of paragraph 3 of the directive dated December 27, 1985 has been amended.

3. An amending directive DBOD No. Dir. BC 34/13.03.00/2000-01 dated October 17, 2000 is enclosed.

4. The existing clause (ii) of paragraph 9.I.3 may be substituted by new clause (ii) in Chapter 9 of the Manual of Instructions (Vol. I Part I), issued by DBOD, DBS and IECD, as per slip 5 attached.

5. Please acknowledge receipt.

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(P.V. Subba Rao)
Chief General Manager