

F. No. 6/23/2012-FI (Vol-II)
Government of India
Ministry of Finance
Department of Financial Services

3rd Floor, Jeevandeep Building, Sansad Marg
New Delhi, dated the 5th December, 2012

To

The Chairman/ CMDs of all Public Sector Banks

Subject: Direct Cash Transfer in 51 Districts

Sir(s) / Madam (s),

I am directed to refer to the various instructions issued by the Department conveying that the Government has decided to introduce Direct Cash Transfer in 51 districts (follow up and consequential action kept in abeyance in 4 districts of Gujarat and 4 districts of Himachal Pradesh till completion of election process in these States) in the country for various Government Schemes w.e.f. 01.01.2013.

2. In the meeting of the Executive Committee on Direct Cash Transfer on 04.12.2012, some Departments informed about difficulties being faced regarding opening of accounts of minors, limit on transactions, etc. Detailed guidelines / policies exist on these issues. However, for the purpose of clarity, it is reiterated as under:-

(i) As per the model policy circulated by the Indian Banks' Association, Savings Bank Accounts can be opened by the minors jointly with natural guardian or with mother as guardian. Minors above the age of 10 years are allowed to open & operate Savings Bank Accounts independently. Banks would have issued their own

guidelines in this regard. Instructions must be reiterated to field officers about opening and operations of accounts of minors.

(ii) Detailed instructions have been issued by the Reserve Bank of India on 10.08.2012 regarding Basic Savings Bank Deposit Account in suppression of the instructions on "No-Frills Account". These instructions provide, inter-alia, for these accounts as normal banking account with facility of ATM-cum-Debit Card and having no requirement of minimum balance and.

In case, any student faces difficulties due to the account being 'Small Account' with restriction of Rs.10, 000/- as aggregate of all withdrawal and transfer in a month, such accounts should be converted into Normal Savings Account after following prescribed procedure for full KYC account.

3. Banks should convey suitable instructions to their field functionaries in accordance with the regulatory directives and policy adopted by the Bank in this regard.

Yours sincerely,

(Sandeep Kumar)
Director (FI)
Tel: 23362422

Copy to :

1. All SLBC Conveners

2. Secretaries of the concerned Ministries/ Department of Government of

India