

June 8, 2007

The General Manager
Government Accounts Department, Head Office
State Bank of India / State Bank of Indore / State Bank of Patiala
State Bank of Bikaner & Jaipur / State Bank of Saurashtra
State Bank of Travancore / State Bank of Hyderabad / State Bank of Mysore
Allahabad Bank / Bank of Baroda / Bank of India / Bank of Maharashtra/
Canara Bank / Central Bank of India / Corporation Bank / Dena Bank / Indian Bank/
Indian Overseas Bank / Punjab National Bank / Syndicate Bank /UCO Bank /
Union Bank of India / United Bank of India / ICICI Bank Ltd / Vijaya Bank

Dear Sir,

Senior Citizens Savings Scheme, 2004-
Opening of multiple account in a calendar month in the same deposit office

As you are aware, in terms of sub rule (2) of Rule 3 of Senior Citizens Savings Scheme, 2004 a depositor may operate more than one account under the rules subject to the condition that the deposits in all accounts taken together shall not exceed the maximum limit specified under Rule 4. However, as per the proviso to the said Rule more than one account cannot be opened in the same deposit office during a calendar month. In this connection, you may note that Government of India vide their Notification GSR----(E) dated May 24, 2007 (Annex - I) have since amended the Scheme and omitted the said proviso to the sub- rule (2) of Rule 3.

2. Further, Government of India vide their letter No.F.15/ 3/ 2006/ NS-II dated May 16, 2007 have also decided to allow, under Rule 14 of the Scheme, regularization of multiple accounts opened by depositors in the same account office, in the same calendar month due to ignorance, by merging all the accounts into the first account, subject to the condition, that deposits under the merged accounts (or discontinued accounts) shall not earn any interest for the intervening period, i.e., for the period from the opening of first account to the date of opening of second / subsequent irregular account which stands merged into the first account. Please note that the merger as well as consolidated amount of deposit in the account shall also be subject to other terms and conditions of the scheme.

3. The contents of this circular may be brought to the notice of designated branches of your bank for information and guidance.

4. Please acknowledge receipt.

Yours faithfully,

(Imtiyaz Ahmad)
Assistant General Manager

[TO BE PUBLISHED IN THE GAZETTE OF INDIA: EXTRAORDINARY, PART II –Sec.3(i)]

MINISTRY OF FINANCE
(Department of Economic Affairs)

NOTIFICATION

New Delhi, the 24th May 2007

GSR----(E):- In exercise of the powers conferred by section 15 of the Government Saving Banks Act, 1873 (5 of 1873), the Central Government hereby makes the following rules to amend the Senior Citizens Savings Scheme Rules, 2004, namely:-

1. (1) These rules may be called the Senior Citizens Savings Scheme (Amendment) Rules, 2007.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Senior Citizens Savings Scheme Rules, 2004, the proviso to the sub rule (2) of rule 3 shall be omitted.

[F. No. 2-8/ 2004-NS-II]

(P. C. SINGH)
Under Secretary to Government of India