

April 5, 2006
Chaitra 15, 1928 (Saka)

The General Manager
State Bank of India and Associate Banks
and 17 Nationalized Banks
The Managing Director
ICICI / IDBI / HDFC / UTI Bank and SHCIL

Dear Sir,

Operations in Relief/Savings Bonds – Opening of single Bond Ledger Account

As you are aware, in terms of Note (i) to Para 1.3 of Memorandum of Procedure, only one BLA shall be opened in the name of each investor. No new account or multiple accounts will be opened or maintained in the name of the same holder at the branch and investments subsequently made by him would be accounted for in the same Bond Ledger Account.

2. It has since come to our notice that some of the Agency banks are opening multiple Bond Ledger Accounts in the name of existing Bond Ledger Account holder, every time the investor makes fresh investment in the Relief / Savings Bonds Scheme. This is contrary to instructions contained in Memorandum of Procedure (MOP).

3. We, therefore, advise you to issue instructions to the designated branches to strictly adhere to the above instructions while accepting fresh investments as also review the existing multiple BLAs, if any, in the name of the same investor and merge all the BLA into one BLA.

4. Please acknowledge receipt.

Yours faithfully,

Sd/-
(D. Rajagopala Rao)
Deputy General Manager