

August 2, 2006
Shravana 11, 1928(S)

The Chairman/Managing Director
Government Accounts Division, 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/Vijaya Bank/ICICI Bank

Dear Sir,

Senior Citizens Savings Scheme, 2004 - Transfer Fee

As you are aware, in terms of Rule 11 of the Senior Citizens Savings Scheme, 2004, the depositor may seek transfer of account from one deposit office to another subject to payment of a transfer fee of rupees five per lakh of deposit for the first transfer and rupees ten per lakh of deposit for the second and subsequent transfer (no transfer fee is payable if the deposit is less than rupees one lakh).

2. A query was raised as to whether the transfer fee is to be kept with the bank concerned or passed on to the Government's account. We had taken up the matter with Ministry of Finance, Government of India, and they have since clarified that the transfer fee recovered from the account holder at the time of transfer of account from one deposit office to another deposit office is to be credited to Government account by booking under the "Major Head 8008 - Income and Expenditure of NSS Fund 00.104 - other charges".

3. The contents of this circular may be brought to the notice of designated branches of your bank operating the captioned scheme.

4. Please acknowledge receipt.

Yours faithfully,

(Balu. K)
Dy.General Manager

Endt.No. DGBA.CDD/H-1997/15.15.001/2006-07 of date

Copy forwarded for information to:

1. The General Manager, Reserve Bank of India, Central Accounts Section,
Additional Office Building, East High Court Road, Nagpur.

(S.K. Menon)
Manager