The Chairmen / CEOs  
All State and Central Cooperative Banks  

Dear Sir / Madam,

Unclaimed Deposits/Inoperative Accounts in banks – Treatment of certain savings bank accounts opened for credit of Scholarship amounts and credit of Direct Benefit Transfer under Government Schemes

Please refer to our Circular RPCD.CO.RF.BC.No. 89/07.38.012008-09 dated February 18, 2009 on unclaimed deposits / inoperative accounts wherein State and Central Cooperative Banks were advised that a savings or current account should be treated as inoperative/dormant if there are no transactions in the account for over a period of two years and the safeguards to be adopted in dealing with such accounts.

2. State and Central Governments have expressed difficulties in crediting cheques / Direct Benefit Transfer / Electronic Benefit Transfer / Scholarships for students, etc. into Zero Balance Accounts and accounts opened for the beneficiaries under various Central/State Government schemes but had been classified as dormant/inoperative due to non-operation of the account for over two years.

3. Keeping the above in view, State and Central Cooperative Banks are advised that they may take appropriate steps including allotment of a different 'product code' in their CBS to all such accounts opened by them so that the stipulation of inoperative / dormant account due to non-operation does not apply while crediting proceeds as mentioned in para 2 above.
4. In order to reduce the risk of fraud etc., in such accounts, while allowing operations in these accounts, due diligence should be exercised by ensuring the genuineness of transactions, verification of signature and identity, etc. However, it has to be ensured that the customer is not inconvenienced in any manner.

Yours faithfully,

(A.Udgata)
Principal Chief General Manager