



No. J-11013/2/2010-MGNREGA-I(FTS3650)
Government of India
Ministry of Rural Development
Department of Rural Development
(MG NREGA-I Division)

Krishi Bhavan, New Delhi
Dated 28th November, 2011

To,

Principal Secretary/Secretary of Rural Development Departments of all States and UTs.

Subject: Wage payment by Private Banks under MGNREGA to the workers.

Sir/Madam,

This Ministry has been receiving references from few State Governments seeking clarification on the issue of opening of institutional accounts for MGNREGA funds in Private Banks. In this connection, it is informed that issue was taken up with Department of Finance which has taken up the matter with Reserve Bank of India (RBI). RBI has informed that as per extant policy of the Bank, only the three private sector Banks namely, ICICI, HDFC & Axis are authorized to conduct government business. Further these Banks are not authorized to conduct any new / fresh government business other than the business for which they were authorized at the time of their initial authorization. As regards, the participation of private sector banks under MGNREGA, RBI has informed that the issue is presently under review and they will revert to the Ministry on the completion of the review.

All the State Rural Development Departments are advised to bring into the notice of all the concerned agencies for information and necessary action.

Yours faithfully,

(P.N. Shukla)

Under Secretary to the Government of India

To

1. All Deputy Secretary, Joint Director & Directors of MGNREGA Division for information please.