

No.M-12018/02/2014-RH (RBC)
Government of India
Ministry of Rural Development
(Rural Housing Division)

Krishi Bhawan, New Delhi,
Dated: 3rd July, 2015

To

The Principal Secretary / Secretary
Department of Rural Development
of all States / UTs

Subject :- Indira Awaas Yojana – Use of Public Financial Management System (PFMS) – Opening of Bank account in Nationalised Bank at the State level for transfer of funds – Reg.

You are aware that from the current financial year all payments under the scheme of Indira Awaas Yojana are to be routed through PFMS. The main pre-requisite for making the payment through PFMS is opening of bank account at the State Level. Accordingly, all the State Governments were advised to open bank account at the State level. However, it has come to the notice of the Ministry that some State Governments have opened the bank account at the State Level in private banks.

In this connection, attention is drawn towards the guidelines of Indira Awaas Yojana wherein it is mentioned that the funds of IAY shall be kept in a Nationalised bank in exclusive savings bank account. Further, the guidelines also mention that the State Governments are to provide a certificate that the IAY funds have been kept in separate Savings Bank account in a nationalized bank and also provide the bank details in the prescribed format. In view of the provision in the guidelines, the bank accounts that have been opened at the State Level in private banks cannot be utilised for keeping the funds of Indira Awaas Yojana.

In this connection, it is advised that the bank accounts at the state level should be maintained only in Nationalised Banks. However, this does not apply to the accounts opened by the beneficiaries who are free to open their accounts in any bank to which money can be transferred electronically.

You are requested to give necessary instructions to the concerned officers in this regard.

Yours faithfully,



(M. Rama Krishna)

Under Secretary to Govt. of India
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