

**HARI CHAND**

**ADVOCATE**

ਹਰੀ ਚੰਦ

ਵਕੀਲ

**PUNJAB & HARYANA HIGH COURT**

ਪੰਜਾਬ ਅਤੇ ਹਰਿਆਣਾ ਹਾਈ ਕੋਰਟ

H. NO. 2299,

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ਸੈਕਟਰ 44- ਸੀ

ਚੰਡੀਗੜ੍ਹ 160045

DATED: 17.8.2019

TO,

Hon'ble Chief Minister,

Government of Punjab,

Chandigarh.

**Subject: Desirability of issuance of instructions to the various officers in the Department of Rural Development and Panchayats for not maintaining more than one bank account.**

**By E-mail**

Dear Sir,

I have been informed by a former employee of HDFC Bank Ltd. that the said bank, and for that matter, other private sector banks, including Axis Bank, are interested only in procuring the business of saving bank accounts or current accounts from Government departments, since they have to pay interest at lower rates on such accounts, as compared with the interest payable on fixed deposits. This type of preference for particular kind/type of deposits results into higher profit to the bank, although on the other hand, it results into corresponding loss to the customers/Government departments.

Further, in order to get maximum deposits in the shape of current accounts or saving bank accounts, these private sector banks lure officers at various levels, particularly in the Department of Rural Development and Panchayats, and those officers of BDPO level eventually prevail upon the Sarpanches of Gram Panchayats to shift their accounts from the existing bank

(like State Bank of India) to Axis Bank or HDFC Bank Ltd., and for this purpose, they offer cash incentives to the Sarpanches. These incentives are arranged by Bank officers through fake bills, which are in full knowledge of the Banks concerned. The cash incentive so obtained by the Sarpanches are shared between them and the concerned BDPOs. This undesirable practice is continuing at a number of places, according to the information received by me. It is also brought to my notice that many Sarpanches, rotate their accounts after every four or six months, between different private sector banks with a view to get fresh incentive from the new bank. This process is adopted by them during the periods when the grant received from the Government is lying unused with them. Needless to emphasis that such practice results into financial loss to public sector banks, in which the Government Departments are generally supposed to maintain their accounts. This practice requires to be checked and the Department of Rural Development and Panchayats requires to be issued appropriate directions to ensure that the Gram Panchayats do not maintain accounts in more than one bank, and in case the account is to be shifted from one bank to another, that should be done only after getting written permission from the Head of the Department, or some other competent officer.

I would therefore, call upon you to kindly issue appropriate instructions to the Department of Rural Development and Panchayats for ensuring that undesirable practice of shifting the accounts of Gram Panchayats from one bank to another, particularly to the private sector banks, is curbed with heavy hand.

Soliciting immediate response.

Yours sincerely,

(HARI CHAND)

ADVOCATE