Article 9

The Central Government and each of the State Government have made separate agreement with the Reserve Bank of India by virtue of which the general banking business of these Governments in which business is (included the receipt, collection payment and remittance of moneys on behalf of Government) is carried on and transacted by the Bank in accordance with and subject to the provisions of the agreement and of the Reserve Bank of India Act, 1934, and in accordance with and subject to which orders as may from time to time be given to the Bank by the Central Government or the State Government. as the case may be.

Central or State Government

business is transacted at any of the offices, branches or agencies of the Bank for the time being in existence as may from time to time be so directed. The Central Government as a general rule, operates on every office and branch of the Reserve Bank of India and on ever branch of the State Bank of India throughout India acting as the agent of the Reserve Bank. The operations of each State are confined to the offices and branches of the two Banks which have been designated as falling within the area of that particular State. The receipt and payment of moneys on behalf of a State outside its jurisdiction are ordinarily arranged through the Accountant-General of the State in which the transactions take place.

Article 10

Each office or Branch of the Reserve Bank keeps two separate account of cash transactions undertaken by it on behalf of Government one for the transactions of the Central Government and the other for the transactions of the State

Government within whose area it is situated. All transactions which cannot be debited or credited directly to the account of the Central Government with the Bank are taken to

the account of the Government of the State in which they occur so that this account will include as well the transactions relating to other States. Separate statements of transactions in their Central and State Government account together with all supporting vouchers, etc., are transmitted by each office and branch of the bank daily to the Treasury Officer or to the Accountant-General, as the case may be. At the close of each month the balances of the two accounts are transferred to the Central Accounts Section of the Reserve Bank at Nagpur.

Note :—The transactions of Railways at offices and branches of the Reserve Bank are distinguished from other Central transactions in the initial accounts and are classified by each Railway separately. These transactions are taken against the Railway Fund in the books of the Reserve Bunk direct and do not therefore pass through the Treasury Accounts or consequently through the accounts of the Civil Accountant-General. Each office and branch of the Bank furnishes the Accounts Officer of each Railway separately every day with a copy of the daily reroll relating to the transactions of that Railway together with the requisite vouchers.

Article 11.

Each branch of the State Bank of India transacting Government business as agent of the Reserve Bank classifies the daily receipts and disbursements on behalf of Government in two groups, Central and State, the latter embracing transactions

not only on behalf of the State in which the Bank is situated but also on behalf of other States. Separate statements of transactions of the Central Government and of those taken against the provincial account are forwarded by each branch daily with supporting vouchers to the local Treasury Officer or the Accountant-General, as the case may be. The totals of such transactions are also reported by the Bank at the close of each day to the Central Accounts Section of the Reserve Bank through the Central Accounts Office of the State Bank.

Note :—The procedure prescribed in the note under Article 10 is followed in respect of Railway transactions taking place at the branches of the State Bank of India.

Article 12

Complete accounts of the Central Government and of each of the State Governments with the Bank are maintained by the Central Accounts Section of the Reserve Bank which also acts as General Clearing House for the adjustment of transaction between different Governments. All adjustments to be made between the account of the Central Government and that of States or between the accounts of different States as well as all payments which one of these Governments had to make to another are advised by the Accounts Officer authorized in this behalf to the Central Accounts Section of the Reserve Bank, which will pass the necessary entries in the accounts of the Government concerned maintained in the books of the Bank. Details of transfer effected in its books against the balance of the State Government or of the Central Government, as the case may be, on account of adjustments advised by different Account Offices are communicated by the Central Accounts Section of the Reserve Bank to the Accountants General concerned at the close of each day. At the close of the accounts of each month a

statement of closing balance of each Government on the book of the Bank after taking into account all cash transactions in all the offices, branches and agencies of the Bank and the adjusting transactions on its own books is forwarded by the Central Accounts Section to the Accountant-General concerned.