

Government of India
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Lok Nayak Bhawan, Khan Market
New Delhi-110511
Telefax : 011-24649365
E-mail : sao-rbd@nic.in

Dated : 10.11.2009

OFFICE MEMORANDUM

Subject : **Authorization of Private Sector Banks for handling Government transactions.**

Attention is invited to this office letter No.S-11012/3(21)/Pvt. Banks/2005/RBD/362-393 dated 01.03.2006 (copy enclosed) vide which no fresh proposals for authorization of Private Sector Banks were to be considered by Ministries/Departments till further orders, on account of the ongoing review by Government on the performance of the Private Sector Banks in priority sector lending, etc.

2. However, of late, some cases of violation of these instructions by some Departments/Ministries have come to the notice of this office wherein some private sector banks have been enlisted to handle government business, including for the operation of any Programme/Scheme, notwithstanding the accredited bank of the Department/Ministry.

3. It is therefore, requested to furnish the requisite information in this regard in the proforma enclosed with this OM. The information may be furnished by **25.11.2009**. In case, no private sector bank has been engaged subsequent to issue of the above mentioned instructions, a NIL Report may also be furnished.

Encl: [Two]



(Vibha Pandey)

Joint Controller General of Accounts

To

1. All Pr.CCAs, CCAs, CAs and Dy. CAs
2. Controller of Accounts, Principal Accounts Office, Government of NCT of Delhi, B Block, Vikas Bhawan, New Delhi - 110002.
3. Jt.CGDA, O/o CGDA, West Block-V, R.K. Puram, New Delhi - 110066.
4. Director Finance (CCA), Railway Board, Rail Bhawan, New Delhi.
5. Director General (PA), Department of Posts, Dak Bhawan, New Delhi.
6. Dy. Director General (TA), Department of Telecom, Sanchar Bhawan, New Delhi.
7. Director of Budget & Accounts, A&N Administration, Port Blair.
8. Director of Accounts, Lakshadweep Administration, Kavaratti, Lakshadweep.
9. Director of Accounts, Daman & Diu Administration, Moti Daman, Daman.
10. Director of Accounts, Dadra & Nagar Haveli Administration, Silvassa.
- ✓ 11. ACGA (ITD) with the request to upload this O.M. on CGAs' website.

Copy to:-

12. The General Manager, Reserve Bank of India, Central Office, DGBA, Byculla Office Building, Opp. Mumbai Central Station, Byculla, Mumbai - 400008.

Report on Banking Arrangements

[Position in respect of each Department in the Ministry, is to be indicating separately]

(1) Sl. No.	(2) Name of the Department	(3) Accredited Bank	(4) Details of Private Sector Banks, if any, engaged in addition to the accredited bank	(5) Details of government business operations including operations of Programme/Scheme, if any, being handled by the private sector bank, along with <u>dates of commencement of such operations</u>	(6) Reference of CGA/RBI, authorizing engagements of private sector bank	(7) If "NIL" under column (6); then the authority with whose approval private banks has been engaged (Details thereof)

No. S-11012/3(21)/Pvt. Banks/2005/RBD/362-393
Government of India,
Ministry of Finance, Department of Expenditure
CONTROLLER GENERAL OF ACCOUNTS
2nd FLOOR, Lok Nayak Bhawan,
Khan Market, NEW DELHI - 110003

Dated: March 1, 2006

To

*All Pr. CCAs/CCAs/CAs
& Posts, Telecom, defence, Railway*

Subject: Authorization of Private Sector Banks for handling Government transactions

Sir/Madam

Reserve Bank of India has brought to our notice that the performance of Private Sector Banks in priority sector lending with particular reference to their participation in Government sponsored schemes has not been found satisfactory. Therefore, Reserve Bank of India is reviewing their performance as on March 31, 2006. They (RBI) have requested this office not to consider fresh proposals for authorization of Private Sector Banks for handling Government transactions, till such review is completed.

You are, therefore, requested that fresh proposal for authorization of these banks may not be considered and forwarded to this office till further orders.

Yours faithfully,

W. Jha

(N.M. JHA)

Assistant Controller General of Accounts