

No.S-11012/3(1)/Bank/Ref.Case/2010/RBD/2056-2135

MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
CONTROLLER GENERAL OF ACCOUNTS
7TH FLOOR, LOK NAYAK BHAWAN
NEW DELHI

Dated: 07.03.2011

OFFICE MEMORANDUM

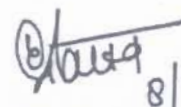
Sub: Clarification on banking arrangement in Autonomous/Statutory Bodies.

Attention is invited to this office letter No. S-11012/Pvt. Banks/2005/RBD/362-393 dt. 01.03.2006 & S-11012/Pvt. Banks/2005/RBD/1600-1644 dt. 10.11.2009 vide which it was informed that no fresh proposals for authorization of the three Private Sector Banks i.e. ICICI Bank, HDFC bank and Axis bank were to be considered by Ministries/Departments till further orders on account of the ongoing review of their performance and a resultant embargo by RBI.

A number of Autonomous/Statutory bodies under various Ministries/Departments had been seeking clarification from this office on the applicability of above mentioned letters while considering to avail the services of these three Private Sector banks for handling their transactions including Government Grants and Funds generated by them from their own resources.

A clarification on this matter was sought from Reserve Bank of India which has clarified that "the Banking Business of Autonomous/Statutory Bodies does not come under the purview of agency business of RBI" as RBI does not pay any agency commission for the banking transactions undertaken by Autonomous/Statutory bodies".

In view of the same, it is clarified that Autonomous/Statutory bodies under various Ministries/Departments can avail banking services of the three Private Sector banks i.e. ICICI bank, HDFC bank, and Axis bank for their banking requirement including handling of transactions pertaining to Government Grants and Funds generated by them from their own resources.


8/3/2011

(H.K.Srivastav)

Deputy Controller General of Accounts

To

1. All Pr.CCA's, CCA's, CA's & Dy.CA's- for further necessary information of all Bureau Heads & Financial Advisor's.Civil/Non-Civil Ministries/Departments.
2. Controller of Accounts, Pr. Accounts Office, Govt. of NCT of Delhi, B-Block, Vikas Bhawan, New Delhi-110002.
3. Jt. Controller General of Accounts, Ullan Bator Marg, Palam, Delhi Cantt.
4. Dy. Director General, Department of Posts, Dak Bhawan, Sansad Marg, New Delhi-110001.
5. Director Accounts, Department of Telecom, R.No.918, Sanchar Bhawan, New Delhi-110001.
6. Director Finance (CCA), Ministry of Railways, Railway Board, Rail Bhawan, New Delhi-110001.
7. National Manager, Institutional Banking, Retail Strategy & Policy Promotion Group, ICICI Banks Ltd., Room No. 204, ICICI Bank Tower, NBCC Place, Bhishmah Pitamah Marg, New Delhi-110003.
8. All Public Sector Banks & HDFC Bank & AXIS Bank

Copy to:-

1. General Manager, Reserve Bank of India, DGBA, Mumbai w.r.t their L.No.DGBA.GAD.No.H.5441/42.01.033/2010-11 dt. 08.02.2011.
2. Dy.CGA(ITD) with the request to upload this OM on CGA's website.