भारत सरकार Government of India
रेल मंत्रालय Ministry of Railways
रेलवे बोर्ड (Railway Board)

RBA No.30 /2021

No.2021/ACII/9/2/e

New Delhi, dated: 17.05.2021

PFAs
All Zonal Railways and PUs.

Sub: Authorization of Private Sector banks for extending Government business including Government agency business.

Ref: (1) CGA/MOF vide O.M. no. R-23001/2021-GBA-CGA/243-292 dated 24.03.2021.
(2) RBI's Circular no. RBI/2021-2022/36;CO. DGBA.GBD.No.S77 / 42.01.033 / 2021- 22 dated May10, 2021.

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Please refer to Board's letter no.2006/ACII/9/1/Pt II dated 07.12.2012 (RBA No.45/2012) vide which Government decision for imposing ban on allocation of Government Business to private sector banks was communicated. In this regard CGA/MOF vide letter dated 24.3.2021 has now advised that the embargo put in place by Department of Financial Services (DFS), Ministry of Finance (MoF) on further allocation of Government business to private sector banks has since been lifted by them (copy enclosed).

Further, it has also been clarified by CGA/MOF and RBI that the Private Sector Banks who were already authorized by RBI as Government Agency Bank for doing Government business (viz AXIS Bank, ICICI Bank and HDFC Bank) are still authorized for allocation of Government business including government agency business. The guidelines for existing Private Sector Agency Banks already having agency banking agreement with RBI are as under:

a. Such existing private Sector Agency bank with whom RBI already has agency banking agreement and who are authorized to do government agency business for Central Government may continue to do these government agency business for Central Government without taking any fresh approval from RBI.
b. For the purpose of undertaking fresh/additional government agency business by these existing private sector agency banks, after obtaining approval from O/o CGA for Central Government, the concerned Central Government Department will need to obtain approval from DGBA, CO as per RBI's Circular no. RBI/2011-2012/377:DGBA.GAD No.H-5029/42.01.033 / 2011-12 dated January 31, 2012 (copy enclosed).

Necessary action may kindly be taken accordingly.

DA: As above

(Sanjeev Sharma)
OSD/Accounts
Railway Board

भारत सरकार / GOVERNMENT OF INDIA
रेल मंत्रालय / MINISTRY OF RAILWAYS
(रेलवे बोर्ड / RAILWAY BOARD)

आरबीए सं.30/2021

सं.2021/एसी-II/9/2/ई

नई दिल्ली, दिनांक: 17.05.2021

प्रधान वित्त सलाहकार,
सभी क्षेत्रीय रेलें एवं उत्पादन इकाइयां।

विषय: सरकारी एजेंसी कारोबार सहित सरकारी कामकाज देने के लिए निजी क्षेत्र के बैंकों को प्राधिकृत करना।

संदर्भ: (1) महालेखा नियंत्रक/वित्त मंत्रालय का दिनांक 24.03.2021 का कार्यालय ज्ञापन सं.आर-23001/2021-जीबीए-सीजीए/243-292
(2) भारतीय रिजर्व बैंक का दिनांक 10.05.2021 का परिपत्र सं.आरबीआई/2021-2022/36; सीओ डीजीबीए.जीबीडी सं.एस77/42.01.033/2021-22.

कृपया बोर्ड के दिनांक 07.12.2012 के पत्र सं.2006/एसीII/9/1/पार्टII (आरबीए सं.45/2012) का अवलोकन करें, जिसके तहत निजी क्षेत्र के बैंकों पर सरकारी कामकाज के आबंटन पर प्रतिबंध लगाने के सरकारी निर्णय के बारे में सूचित किया गया था। इस संबंध में महालेखा नियंत्रक/वित्त मंत्रालय के दिनांक 24.03.2021 के पत्र के तहत सूचित किया गया है कि निजी क्षेत्र के बैंकों को सरकारी कारोबार के आबंटन के संबंध में वित्तीय सेवाएं विभाग, वित्त मंत्रालय द्वारा लगाया गया व्यापार प्रतिबंध अब हटा दिया गया है (प्रतिलिपि संलग्न)।

इसके अलावा, महालेखा नियंत्रक/वित्त मंत्रालय और भारतीय रिजर्व बैंक द्वारा यह स्पष्ट किया गया है कि जिन निजी क्षेत्र के बैंकों (यथा एक्सिस बैंक, आईसीआईसीआई बैंक और एचडीएफसी बैंक) को सरकारी कामकाज के लिए भारतीय रिजर्व बैंक द्वारा सरकारी एजेंसी बैंक के रूप में पहले से प्राधिकृत किया गया था, वे सरकारी एजेंसी कारोबार सहित सरकारी कामकाज के आबंटन के लिए अभी भी प्राधिकृत हैं। ऐसे मौजूदा निजी क्षेत्र के एजेंसी बैंकों जिनका भारतीय रिजर्व बैंक के साथ पहले से ही एजेंसी बैंकिंग करार है, के लिए दिशा-निर्देश निम्नानुसार हैं:

(क) ऐसे मौजूदा निजी क्षेत्र के बैंक जिसका कि भारतीय रिजर्व बैंक के साथ पहले से ही एजेंसी बैंकिंग करार है और जो केन्द्र सरकार के लिए सरकारी एजेंसी कारोबार करने के लिए प्राधिकृत हैं, वे भारतीय रिजर्व बैंक से कोई भी नया अनुमोदन लिए बिना केन्द्र सरकार के लिए इन सरकारी एजेंसी का कारोबार करते रहेंगे।

(ख) इन मौजूदा निजी क्षेत्र के एजेंसी बैंकों को नया/अतिरिक्त सरकारी एजेंसी का कारोबार करने के लिए महालेखा नियंत्रक के कार्यालय (केन्द्र सरकार के लिए) से अनुमोदन प्राप्त करने के बाद, भारतीय रिजर्व बैंक के दिनांक 31.01.2012 के परिपत्र सं.आरबीआई/2011-2012/377; डीजीबीए.जीएडी सं.एच-5029/42.01.033/2011-12 के अनुसार, संबंधित सरकारी विभाग को सरकारी और बैंक लेखा विभाग, केंद्रीय कार्यालय से अनुमोदन प्राप्त करना होगा।

कृपया तदनुसार आवश्यक कार्रवाई की जाए।

संलग्नक: यथोक्त

(संजीव शर्मा)
विशेष कार्य अधिकारी/लेखा
रेलवे बोर्ड

859543/2021/Accounts-II

Office of Controller General of Accounts
Ministry of Finance
Department of Expenditure
Mahalekha Niyantrak Bhawan
E-Block, GPO Complex, INA
New Delhi-110023
Email: sao-rbd@nic.in

No. R-23001/1/2021-GBA-CGA/ 243-292 24th March 2021

Office Memorandum

Sub:- Allocation of Government Business to Private Sector Banks – regarding

In continuation of this office OM No. S-11012/3(1)/Ref. Case/2010/RBD/1119-1179 dated 30th June 2015 regarding embargo on further allocation of Government Agency business to Private Sector Banks, it is to inform that now the Department of Financial Services (DFS) vide letter dated 24th February 2021 has decided with the approval of Hon'ble Finance Minister to lift the said embargo. Accordingly, now there is no bar on RBI for authorization of Private Sector Banks for extending Government business including Government agency business.

2. Further, the DFS has clarified that the decision has been taken to ensure a level playing field to all public sector and private sector banks, enhancement of customers convenience, enabling innovation and latest technology in banking sector, and spurring of competition for higher efficiency and increase in standards of customer service, ultimately leading to all-round value creation. The objective is to boost the ease of doing business and ease of living for the public, including retails customers, small and medium enterprises as also for larger corporate, with regard to their Government related banking transactions such as taxes and other revenue payment facilities and many other transactions.

3. DFS has also clarified that if the Private Sector Banks lag in performance viz-a-viz the Public Sector Banks in the achievement of implementation of Social Sector Government initiatives through banks, their performance on a matrix of various Government initiatives and schemes may be reviewed from time to time by the Government in consultation with RBI. In case, it is found that there is adverse performance by any Private Sector Bank in the future, then the permission to the concerned bank to undertake Government business could be potentially withdrawn after giving due opportunity to the bank to correct the imbalance.

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4. The criteria matrix for initial selection of new private sector banks (except those which are already authorized by RBI) and criteria for periodical performance evaluation of all Private Sector Banks is being prepared in consultation with field formations and will be circulated shortly.

Alok Ranjan

(Alok Ranjan)
Joint Controller General of Accounts (GBA)

To

1. All Pr. CCAs/CCAs/CAs (holding independent charge)
2. Jt. Controller General of Defence Accounts, O/o the Controller General of Defence Accounts, Ulan Batar Road, Palam Delhi Cantt – 110 010
3. Director (Finance), Railway Board, Ministry of Railways, Rail Bhawan, New Delhi
4. Sr. Deputy Director General (Accounts), Department of Posts, Dak Bhawan, Sardar Patel Chowk, Parliament Street, New Delhi
5. Deputy Director General, (Accounts), Department of Telecommunications, Sanchar Bhawan, New Delhi

Copy to:-

1. The Deputy Comptroller & Auditor General of India, Pocket -9, Deen Dayal Upadhayay Marg, New Delhi – 110 002
2. Shri Anshuman Sharma, Director (BO.II), Ministry of Finance, Department of Financial Services, Jeevan Deep Building, New Delhi
3. Chief General Manager in charge, DGBA, RBI, Opposite Mumbai Central Railway Station, Mumbai – 400 008
4. Sr. AO (ITD) with the request to upload the OM on CGA's website.

877911/2021/Accounts-II

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2021-22/36
CO.DGBA.GBD.No.S77/42.01.033/2021-22 May 10, 2021

All Scheduled Commercial Banks in India

Dear Sir / Madam

Government Agency Business Arrangement – Appointment of Scheduled Private Sector Banks as Agency Banks of Reserve Bank of India (RBI)

Please refer to RBI Circular RBI/2011-2012/377; DGBA.GAD.No.H-5029/42.01.033/2011-12 dated January 31, 2012 on the captioned subject.

2. In this regard it is informed that the embargo put in place from September 2012 by Department of Financial Services (DFS), Ministry of Finance (MoF) on further allocation of Government business to private sector banks has since been lifted by them vide their communication dated February 24, 2021.

3. Based on the above developments, the existing guidelines on appointment of Scheduled Private Sector Banks as Agency Banks of RBI have been reviewed and the revised guidelines/framework for authorising Scheduled Private Sector Banks as agency banks of RBI for conduct of government business attracting agency commission are as follows:

(i) **For existing Private Sector Agency Banks (already having agency banking agreement with RBI):**

(a) Such existing private Sector Agency bank with whom RBI already has agency banking agreement and who are authorized to do government agency business for Civil/Non-Civil Ministry/Department (for Central Government) or concerned department of a State Government (for State Government) may continue to do these government agency business for Central and/or State Governments without taking any fresh approval from RBI.

सरकारी एवं बैंक लेखा विभाग, केन्द्रीय कार्यालय, मुंबई सेंट्रल रेल्वे स्टेशन के सामने, भायखला, मुंबई 400 008
Department of Government & Bank Accounts, Central Office, Opp. Mumbai Central Railway Station, 4th Floor, Byculla, Mumbai 400 008
Telephone: (022) 2308 4121, Fax No. (022) 2300 0370/2301 6072/2301 0095, e-mail: cgmicdgbaco@rbi.org.in

हिन्दी आसान है, इसका प्रयोग बढ़ाइए।

(b) For the purpose of undertaking fresh/additional government agency business by these existing private sector agency banks, after obtaining approval from O/o CGA (for Central Government) or the Finance Department of the State Government (for State Government) they need to obtain approval from DGBA, CO as per the Circular no. RBI/2011-2012/377; DGBA.GAD.No.H-5029/42.01.033/ 2011-12 dated January 31, 2012.

(ii) **For other private sector banks (not having agency banking agreement with RBI)**

Scheduled private sector banks, not having agency banking agreement with RBI, but intend to handle Government agency business, may be appointed as agents of RBI upon execution of an agreement with RBI. This will be subject to the condition that the concerned bank is not under Prompt Corrective Action (PCA) framework or moratorium at the time of making the application or signing of the agreement with RBI.

(iii) The choice of accrediting an agency bank (including scheduled private sector agency bank) for any particular government agency business rests solely with the concerned Central Government Departments /State Governments. Further, Government Departments /State Governments have the option to discontinue the arrangement after giving notice to the concerned agency banks, keeping RBI informed.

(iv) The procedure to be followed to accredit an agency bank ((including scheduled private sector agency bank) will be as under:

a) **For Central Government/Union Territory business**: For Central Government/Union Territory business, the concerned Civil/Non-Civil Ministry/Department may work out the arrangement with the agency bank and send the proposal of accreditation of the agency bank/providing new/additional government agency business to the O/o CGA for examination. The O/o CGA will forward their recommendation on the proposal to DGBA CO and on consideration, RBI will formally authorise the agency bank as accredited bank/ for providing the new/additional government agency business to the concerned Civil/ Non-civil Ministry/Department.

b) **For State Government business**: The concerned Department of the State Government may work out the arrangement and approach the Finance Department of the State Government which will recommend the proposal for accreditation of the agency bank/providing new/additional government agency

business to the concerned Regional Director of RBI, who will forward the case with his/her comments to the DGBA, CO for approval and further action. On consideration, RBI will formally authorise the agency bank as accredited bank/for providing the new/additional government agency business to the concerned State Government.

(v) Once RBI authorises a bank for any Government business, separate approval from RBI with regard to mode (physical or e-mode) and area of operations is not required and the same will be decided by the O/o CGA (for Central Government) or the Finance Department of the State Government, keeping RBI informed in the matter.

(vi) It may please be noted that performance of the agency banks, on a matrix of various Government initiatives and Schemes, may be reviewed from time to time by the Government in consultation with RBI based on which the permission given to the concerned bank to undertake Government business could be potentially withdrawn.

4. The revised guidelines come into effect from the date of the circular.

Yours faithfully

(R. Kamalakannan)
Chief General Manager

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2011-2012/377

DGBA.GAD.No.H - 5029/42.01.033/2011-12 January 31, 2012

The Chairman & Managing Director /
Chief Executive Officer
All Scheduled Commercial Banks in India

Dear Sir/Madam,

Government Agency Business Arrangement – Appointment of Private Sector Banks as Agency Banks of Reserve Bank of India (RBI)

As you are aware, currently all public sector banks are eligible to conduct Government business as agents of RBI. However, only three private sector banks viz. ICICI Bank Ltd., HDFC Bank Ltd. and Axis Bank Ltd. were appointed by RBI as its agents to carry out limited general banking business of the Central Government and of those State Governments which had entered into an agreement with RBI for the purpose. Of late, we have been receiving formal/informal requests from various Central Government Ministries/Departments, State Governments and from the banks themselves for granting authorization for additional/fresh business to these/other private sector banks for conducting Government business.

2. With a view to enhancing the quality of customer service in Government business through more competition, improving customer convenience by increasing the number of customer service outlets and broad basing the revenue collection and payments mechanism of Governments, the existing policy was recently reviewed by us and it has been decided that all private sector banks will now be considered eligible to handle any Central/State Government business (where RBI pays agency commission) at par with public sector banks.

3. In this connection, it may be mentioned that all banks intending to handle Government business need to be appointed as agents of RBI. For this purpose, for Central Government / Union Territory business, the concerned Civil / Non-Civil Ministry / Department may work out

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the arrangement with the bank and send the proposal to the Controller General of Accounts (CGA) for examination. The CGA will forward his recommendation on the proposal to the Reserve Bank of India, Department of Government and Bank Accounts, Central Office, Mumbai (DGBA, CO) and on consideration, RBI will formally appoint a bank as an agency bank, on its execution of an agreement.

4. For State Government business, the concerned Department of the State may work out the arrangement and approach the Finance Department of the State which will recommend the proposal to the Regional Director of RBI for the State, who will forward the case with his comments to the DGBA, CO for approval and further action.

5. For the purpose of authorisation of fresh/additional business, an agency bank will be required to obtain approval from DGBA, CO, as at present. Once RBI authorises a bank for any Government business, its subsequent approval with regard to mode (Physical or e-Mode) and area of operation is not required and the same will be decided by the office of CGA (for Central Government) or the Finance Department of the State Government, keeping RBI informed in the matter.

6. It is also hereby clarified that a Central Government Ministry/Department (in consultation with CGA) and a State Government Department (in consultation with the respective AG's Office) may engage any bank for implementation of any of the prefunded schemes without reference to RBI, as such schemes do not fall under the purview of Government agency business arrangement and hence do not qualify for payment of agency commission by RBI.

7. The revised guidelines come into effect immediately.

Yours faithfully

(A. K. Bera)
Chief General Manager-in-Charge