

**FINANCE DEPARTMENT
(REVENUE-II)
GOVERNMENT OF N.C.T. OF DELHI
4TH LEVEL, 'A' WING DELHI SECRETARIAT
I.P. ESTATE, NEW DELHI-110002**

No F.1(62)/Fin(Rev-II)/RBICorr-II/2019-20/dsv/ 472

Dated: 17/03/2020

To,

HOD's of Departments/Autonomous Bodies/Municipal Corporation/Company of Govt. of NCT of Delhi

Sub:- Withdrawal of Government funds from Private Sector Banks

Sir,

I am directed to forward herewith DO letter No. 7/DGNSV/2019-20 dated 12th March, 2020 received from Deputy Governor, RBI addressing to Chief Secretary, Delhi on the above noted subject.

In this regard, it is requested to take an appropriate action at your end.

Yours faithfully,



**(MANOJ KUMAR)
Deputy Secretary (V)**

Copy to :-

Programmer for uploading on website.



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

D.O. No. 7 /DGNSV/2019-20

www.rbi.org.in

March 12, 2020

उप गवर्नर

Deputy Governor

Dear Shri Dev,

Withdrawal of Government funds from Private Sector Banks

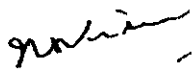
It has been observed from certain media reports that some of the State Governments have advised government bodies and other entities under their jurisdiction to transfer their funds held with Private Sector Banks to Public Sector Banks. It is also learnt that a few other State Governments are contemplating similar action.

We strongly believe that such a move can have banking and financial sector stability implications. We would like to point out that the Reserve Bank has adequate powers to regulate and supervise the Private Sector Banks and by using these powers it has ensured that the depositors' money is entirely safe. It is pertinent to mention that the resolution of weak Private Sector Banks in the past has been done in a manner that the depositors are not put to loss. It is precisely with a view to retaining depositors' confidence in Private Sector Banks and mitigating their hardship that, after the imposition of moratorium on Yes Bank Ltd., the RBI has drawn up a draft scheme without any delay and we are making every effort to expedite the finalization of the scheme.

We, therefore, feel that apprehension on safety of deposits in Private Sector Banks is highly misplaced and as already mentioned, such reactive decision will not be in the interest of stability of financial system in general, and banking system in particular. We, therefore, request you to reconsider any decision you might have already taken or are in the process of taking to withdraw/transfer funds deposited by the State Government and its entities under your jurisdiction in Private Sector Banks.

With warm regards,

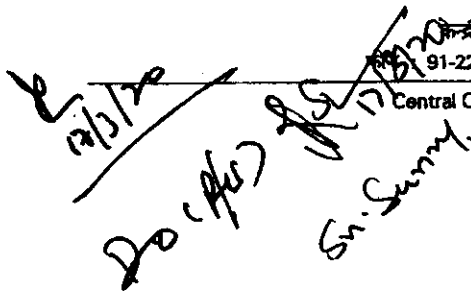
Yours sincerely,


(N S Vishwanathan)

Shri Vijay Kumar Dev
Chief Secretary, Govt. of NCT of Delhi
Delhi Secretariat
I. P. Estate,
New Delhi

केन्द्रीय कार्यालय भवन, शाहीद भगतसिंह मार्ग, मुम्बई - 400 001. भारत
91-22-2262 1382 फ़ैक्स : 91-22-2267 9096 ई-मेल : nsviswanathan@rbi.org.in

Central Office Building, Shahid Bhagat Singh Marg, Mumbai - 400 001. INDIA


12/3/20
Do (A/C)
Sh. Sumit