



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

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RBI/2011-12/135  
DBOD.BP.BC. No. 26 / 21.01.001/2011-12

August 1, 2011

To,  
The Chairmen / Chief Executives of  
All Scheduled Commercial Banks  
(excluding RRBs)

Dear Sir,

**Misuse of Banking Channels - Issue and Payment of Demand Drafts for Rs. 50,000/- and above**

Please refer to our circular DBOD.BP.BC.No.114/C.469(81) - 91 dated April 19, 1991 in terms of which demand drafts, mail transfers, telegraphic transfers and travellers cheques for Rs.50,000 and above should be issued by banks only by debit to the customer's account or against cheques or other instruments tendered by the purchaser and not against cash payment. These instructions were extended to retail sale of gold/silver/platinum vide our circular DBOD.No.IBS.1816/ 23.67.001/98-99 dated February 4, 1999.

2. It has been brought to our notice that some banks have recently issued demand drafts of Rs. 50,000 and above on deposit of cash and not against debit to the customer's account or against cheques or other instruments tendered by the customer.
3. In the current scenario where the integrity of the financial system in general and the banking channels in particular is of paramount importance, breach of these guidelines is a matter of serious regulatory concern in view of the wide ranging ramifications.
4. In the above context, we reiterate that the instructions conveyed vide our circular dated April 19, 1991 referred to above may be strictly complied with by banks. Any violation of these instructions will be viewed seriously.

Yours faithfully,

(P. R. Ravi Mohan)  
Chief General Manager