



भारतीय रिज़र्व बैंक

**RESERVE BANK OF INDIA**

[www.rbi.org.in](http://www.rbi.org.in)

**RBI/2011-12/294**

DGBA.CDD.H- 3657/13.01.298/2011-12

December 9, 2011

The Chairman and Managing Director/Managing Director  
Government Accounts Department/Head Office  
State Bank of India/State Bank of Patiala/  
State Bank of Bikaner & Jaipur/State Bank of Travancore/  
State Bank of Hyderabad/State Bank of Mysore/ Andhra Bank/  
Allahabad Bank/Bank of Baroda/Bank of India/  
Bank of Maharashtra/Canara Bank/Central Bank of India/  
Corporation Bank/Dena Bank/Indian Bank/Indian Overseas Bank/  
Punjab National Bank/Syndicate Bank/UCO Bank/  
Union Bank of India/United Bank of India/Vijaya Bank/IDBI Bank/ICICI Bank Ltd.  
UTI Bank Ltd., HDFC Bank Ltd., and SCHIL

Dear Sir/Madam,

**Committee on Procedures & Performance Audit on Public Services (CPPAPS) - Report  
No. 2 - Compensation structure for delay in payment of interest and/or principal**

Please refer to our circular [CO. DT. No. 13.01.298/H-9786/2004-05 dated May 20, 2005 \(RBI/2005/477\)](#), on the captioned subject. As per para 3 thereat, an investor in Relief/Savings Bonds has to be compensated by the concerned bank at 'current Saving Bank Rate' on account of financial loss incurred by the investor due to late receipt/delayed credit of interest warrants/ maturity value of investment, etc.

2. In this regard, we advise that as the interest rate on savings deposits have since been deregulated, the banks shall compensate the investors for the above mentioned financial loss at their own Saving Bank deposit rate for respective amounts (i.e. ₹ 1 lakh and over ₹ 1 lakh) without any discrimination.

Yours faithfully,

(Sangeeta Lalwani)  
Deputy General Manager

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**This Department is ISO 9001-2000 Certified.**

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