



RESERVE BANK OF INDIA

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**Relief/Savings Bond holders to be compensated for
late receipt of Interest/Principal**

The Reserve Bank of India has today asked commercial banks to compensate the holders of Relief/Savings Bonds for the loss incurred by them on account of late receipt or delayed credit of the interest warrants/maturity value of their investments in these Bonds. The compensation would be paid at the current savings bank rate for the number of days of delay. The Reserve Bank has stated that its own offices will also pay such compensation in case the delay occurs at their end.

In a communication issued to banks and its own offices, the Reserve Bank stated that this decision was taken to provide better customer service to the investors in Relief/Savings Bonds.

As per the Reserve Bank's instructions, banks are required to send to the holders of non-cumulative bonds interest warrants one month before the due date. The maturity value of cumulative bonds has also to be sent in advance. In case the bond holder tenders the discharged securities after the bonds have matured, the bank is required to send the maturity value to the bond holder within five clear working days of receiving the duly discharged securities.

Alpana Killawala
Chief General Manager

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