

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1588

ANSWERED ON:04.03.2011

RBI GUIDELINES

Pakirappa Shri S.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Reserve Bank of India (RBI) has issued guidelines for compensation to be paid by the Banks for undue delay in clearing cheques, non-return of deed and other papers even after full payment of loan and other delays in banking transactions;
- (b) if so, the details thereof;
- (c) whether these guidelines are mandatory for both the Public and Private Sector Banks;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the present status of such guidelines?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b): Reserve Bank of India (RBI) has reported that vide their Master Circular dated July 1, 2010 on Customer Service, banks have been advised that timeframe for collection of cheques drawn on State Capitals / major cities/other locations to be 7/10/14 days respectively. If there is any delay in collection beyond this period, interest at the rate specified in the Cheque Collection Policy (CCP) of the bank, shall be paid. In case the rate is not specified in the CCP, the applicable rate shall be the interest rate on Fixed Deposits for the corresponding maturity. Regarding non-return of deed and other papers after full payment of loan it is submitted that, under Code of Bank's Commitment to Customers issued by Banking Codes and Standards Board of India (BCSBI) and adopted by the member banks, the banks have committed to return all the securities/ documents/title deeds to mortgaged property within 15 days of the repayment of all dues agreed to or contracted. In case of delay in return of securities/documents/title deeds to mortgaged property beyond 15 days of the repayment of all dues agreed to or contracted, the banks have also committed to compensate the borrower.

(c) to (e): These guidelines are mandatory for both Public Sector and Private Sector banks and non adherence to the BCSBI Code is one of the grounds of complaint under the Banking Ombudsman Scheme 2006.