

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3831  
ANSWERED ON:16.12.2011  
RBI GUIDELINES ON CHEQUE CLEARING  
Das Shri Ram Sundar;Karwariya Shri Kapil Muni

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

- (a) whether the Reserve Bank of India (RBI) has instructed all the banks to clear all local cheques on the same day and outstation cheques by the next day;
- (b) if so, the details thereof;
- (c) whether there is a proposal to impose any penalty in the event of the cheques not being cleared within the stipulated period; and
- (d) if so, the details thereof?

**Answer**

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

(a) & (b): Reserve Bank of India (RBI) has issued instructions to all the banks enumerating the realization period for local and outstation cheques. In case of local clearing, banks have been advised to permit usage of the shadow credit afforded to the customer accounts immediately after completion of the relative return clearing on the next working day or maximum within an hour of commencement of business on the third working day from the day of presentation in clearing, subject to usual safeguards. Further, the outer limit time frame for collection of outstation cheques has been prescribed as 7 days for cheques drawn on state capitals, 10 days for major cities and 14 days for other locations. RBI reviews these time-lines keeping in view the dynamics of the banking sector, as and when considered appropriate.

(c) & (d) : In terms of RBI's circular dated November 24, 2008, interest at the rate specified in the Cheque Collection Policy of the concerned bank shall be paid. In case the rate is not specified in the Cheque Collection Policy, the applicable rate shall be the interest rate on fixed deposit to the corresponding period of maturity