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 Savings Bank Rate’ on account of financial loss incurred by the investor due to late receipt/delayed credit of interest warrants/ maturity value of investments, etc.

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

Yours faithfully,

(Sangeeta Lalwani)
Deputy General Manager

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