



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2019-20/70

DGBA.GBD.No.653/42.01.011/2019-20

September 26, 2019

The Chairman and Managing Directors/Managing Director/CEO

All Agency Banks

Dear Sir / Madam

Recovery of Interest on delayed remittance of Government Receipts into Government Account

Please refer to our circular DGBA.GAD.No.H-4831/42.01.011/2012-13 dated February 13, 2013 wherein, in order to bring uniformity in the procedure of reporting both central and State government transactions to Reserve Bank, it was advised that the petty claims of delayed period of penal interest involving amount of ₹ 500/- or below will be ignored and excluded from the purview of penal interest.

2. With a view to bring further uniformity in the procedure for reporting both central and state government transactions to Reserve Bank, it has been decided with the approval of Comptroller and Auditor General of India that instructions given in para 7.4 of CGA's OM S-11012/1(31)/AC(22)/2015/RBD/332-424 dated March 9, 2016, will be made applicable to State government transactions also i.e ignoring petty claims of penal interest involving an amount of ₹ 500/- or below and excluding them from the purview of penal interest, and applying the limit of penal interest of ₹ 500/- on per transaction basis.

3. You may bring this instruction immediately to the notice of your branches accredited to conduct state government transactions as the related instructions are already in place.

4. The state governments are also being advised about the issuance of this instruction.

Yours faithfully

(Charulatha S Kar)
Chief General Manger