



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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RBI/2008-09/463

DGBA.GAD No. H-9284 /42.01.011/2008-09

April 28, 2009

The Chairman & Managing Director/ Managing Director
State Bank of India and its Associates/
All Nationalised Banks/Jammu & Kashmir Bank Ltd.

Dear Sir,

Recovery of Interest from Public Sector Banks on delayed remittances of Government Receipts into Government Account

Please refer to our circulars RBI/2006/150, dated October 10, 2006, [RBI/2007/235](#) & 286 dated January 24, 2007 & March 13, 2007 regarding permissible time limit for remittance of Government Revenues.

2. The expeditious movement of all categories of Government revenues to its exchequer and other related issues have been reviewed by a Committee set up by Government of India. Based on the recommendations of the Committee the Government of India, Ministry of Finance, Department of Expenditure in continuation of the earlier instructions has revised the procedure relating to recovery of interest from Public Sector Banks on delayed remittances of Government Revenues into Government Account as detailed below:

i) Applicability of exclusion of put through date for the transactions (relating to revenue receipts) affected during the period 1/5/2005 to 31/12/2006 for the cases in which penal interest has already been paid :

As per the extant instructions, the 'Put Through Date' was excluded from the prescribed remittance norms for calculating delayed period interest for remittance of Government revenues and these instructions were made applicable in

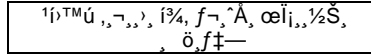
pending delayed period -----

यह विभाग आईएसओ 9001:2000 प्रमाणित है।
सरकारी और बैंक लेखा विभाग, केन्द्रीय कार्यालय, भायखला ऑफिस बिल्डिंग, 4 थी मंजिल, मुंबई सेन्ट्रल रेलवे स्टेशन के सामने, भायखला, मुंबई-400 008

This Department is ISO 9001-2000 certified

Department of Government & Bank Accounts, Central Office, Opp. Mumbai Central Railway Station. Byculla, Mumbai – 400 008.

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interest cases where the banks had not paid the interest. It has now been decided by Controller General of Accounts to extend the benefit of exclusion of the 'Put Through Date' from the time period calculated for remittance of Government receipts to those banks also which had paid the penal interest during the period from 1/05/2005 to 31/12/2006 on the instructions existing at the time they made the payments. The excess

payment of penal interest paid by the banks will be adjusted against the subsequent claims of delayed period penal interest against them.

ii) Permissible period for remittance of Govt. revenues into Govt. account for outstation transactions under Electronic Accounting System in Excise and Service Tax (EASIEST) :

As per the extant procedure under EASIEST, the time limit for remittance of both local and outstation transactions was prescribed as T+ 3 working days. Having examined the requirements under EASIEST, it has now been decided that a maximum period of T+5 working days (excluding put through date) for outstation transactions will be allowed. This dispensation will not be applicable on e-payments (payment made through internet) for which separate instructions have been issued vide our [circular No. RBI/2008/09/97](http://www.rbi.org.in/circulars/circular_no_rbi_2008_09_97) dated July 18, 2008.

iii) Levy of petty amount of penal interest on delayed remittances of Government receipts :

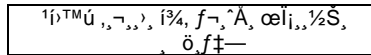
It has been decided that the petty claims of delayed period penal interest involving amount of Rs.500/- or below, will be ignored and excluded from the purview of penal interest w.e.f. January 1, 2008.

iv) Waiver of penal interest due to teething problems experienced by dealing branches during the initial period of OLTAS:

Considering the various problems which had arisen during the initial period of implementation of OLTAS before the system stabilized, it has been decided to exempt the six quarters (i.e. 1/04/2005 to 30/09/2006) from the purview of penal interest.

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3. Further, we have been advised that these instructions will not be applicable to remittance of funds under the Deposit schemes viz. PPF/SCSS etc. of Ministry of Finance.

4. You may, therefore, arrange to remit the Government revenue accordingly.

Yours faithfully,

-sd/-

(G.C.Biswal)
Deputy General Manager