



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

RBI/2011-12/251

DBOD.AML BC.No.47/14.01.001/2011-12

November 4, 2011

The Chairmen/Chief Executive Officers

All Scheduled Commercial Banks (excluding RRBs)/Local Area Banks

Dear Sir,

### **Payment of Cheques/Drafts/Pay Orders/Banker's Cheques**

In India, it has been the usual practice among bankers to make payment of only such cheques and drafts as are presented for payment within a period of six months from the date of the instrument.

2. It has been brought to the notice of Reserve Bank by Government of India that some persons are taking undue advantage of the said practice of banks of making payment of cheques/drafts/pay orders/banker's cheques presented within a period of six months from the date of the instrument as these instruments are being circulated in the market like cash for six months. Reserve Bank is satisfied that in public interest and in the interest of banking policy it is necessary to reduce the period within which cheques/drafts/pay orders/banker's cheques are presented for payment from six months to three months from the date of such instrument. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949, Reserve Bank hereby directs that with effect from April 1, 2012, banks should not make payment of cheques/drafts/pay orders/banker's cheques bearing that date or any subsequent date, if they are presented beyond the period of three months from the date of such instrument.

Department of Banking Operations and Development, Central Office, C.O. Building, 13th Floor, Fort, Mumbai, 400001

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हिंदी आसान है, इसका प्रयोग बढ़ाएँ



3. Banks should ensure strict compliance of these directions and notify the holders of such instruments of the change in practice by printing or stamping on the cheque leaves, drafts, pay orders and banker's cheques issued on or after April 1, 2012, by issuing suitable instruction for presentment within the period of three months from the date of the instrument.

4. Please acknowledge receipt

Yours faithfully,

(Deepak Singhal)  
Chief General Manager in-Charge