

RBI/2006-07/173

DBOD.No.Leg.BC.42 /09.07.005/2006-07

November 10, 2006

To

All Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir,

Customer Service – Issue of Duplicate Demand Draft

Please refer to our circular DBOD.No.BC.147/09.07.007/99-2000 dated March 9, 2000 wherein banks were advised to issue duplicate Demand Draft to the **customer** within a fortnight from the receipt of such request. Further, for the delay beyond this stipulated period, banks were advised to pay interest at the rate applicable for fixed deposit of corresponding maturity in order to compensate the customer for such delay.

2. Keeping in view the term "customer" used in the above Circular, some doubts were raised as to whether banks are required to issue duplicate Demand Draft within the period of fortnight only to the purchaser / beneficiary or also to any holder of the instrument other than the purchaser or the beneficiary.

3. In this connection, we clarify that the period of fortnight prescribed in our Circular dated March 9, 2000 for issue of duplicate Demand Draft would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or the beneficiary and would not be applicable in the case of third party endorsements.

4. Please acknowledge receipt.

Yours faithfully

(Prashant Saran)
Chief General Manager-in-Charge