



सेंट्रल बैंक ऑफ इंडिया
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Central Bank of India

1911 से आपके लिए 'केंद्रित'

"CENTRAL" TO YOU SINCE 1911

CUSTOMER SERVICE --OPERATIONS DEPARTMENT	
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CIRCULAR TO ALL OFFICES

CHEQUE COLLECTION POLICY----- 2019-2020

In line with RBI/ IBA/ BCSBI guidelines, policy on Cheque Collection 2019-20 has been approved by the Board of Directors of the Bank.

RBI and BCSBI have directed that Bank's system should be oriented towards better customer service and they should periodically study their system and its impact on customer service. It is advised that Banks should have a Board approved Policy for general management of the Branches.

The Policy is elaborately informative and designed to help field functionaries for improving their functional efficiency in discharging satisfactory customer service.

The Policy is available on Bank's website under public domain.

Branches / Offices should ensure to keep this updated policy in Display Folder.

All Zonal/Regional / Branch Offices are advised to ensure strict implementation of the guidelines in letter and spirit.

(VIVEK KUMAR)
DY GENERAL MANAGER- OPR

CHEQUE COLLECTION POLICY- 2019-2020

INTRODUCTION

The Cheque Collection Policy of the Bank is a reflection of our on- going efforts to provide better services to our customers and set higher standards for performance. The policy is based on principles of transparency and fairness in treatment of the customers. The bank is committed to increased use of technology to provide quick collection services to its customers.

The Cheque Collection Policy of the Bank is a comprehensive document with transparency, taking into account of our technological capabilities, systems and processes adopted for clearing arrangements and internal arrangements for collection through different methods.

The Cheque Collection Policy of the Bank was first formulated in 2005 and is periodically reviewed annually as per the guidelines issued by Reserve Bank of India (RBI) from time to time. The Policy duly approved by Bank's Board shall read as **Bank's Cheque Collection Policy .**

AS per the broad principles outlined by the Reserve Bank of India, adequate care has been taken in the policy to ensure that the interests of the small depositors are fully protected. The policy framed in this regard has been integrated with the deposit policy formulated by the Bank in line with the IBA's model deposit policy. The policy has clearly laid down the liability of the Bank by way of interest payments due to delay for non- compliance of the standards set by the Bank and compensation by way of interest payment, where necessary, without any claim from the customer.

Scope of the Policy

This policy document covers the following aspects:

- Collection of Local/ Outstation Cheques / Instruments
- Time frame for Collection of Local/ Outstation Instruments
- Interest payment for delayed collection
- Cheques/ Instruments lost in transit/ in clearing process/ at paying bank's branch
- Procedure for dishonored cheques.

1. Collection of Local/ Outstation Cheques/ Instruments

Branches/ Extension Counters of the Bank shall receive the Cheques for collection/ clearing during the business hours.

1.1 Local Cheques

- 1.1.1** All cheques and other negotiable instruments payable locally at Grid Clearing System of Cheques Truncation System- CTS and Non CTS- (MICR) would be presented through the clearing system prevailing at the centre.
- 1.1.2** Cheques deposited at branch counters and in collection boxes, within the branch premises, before the specified cut-off time will be presented for clearing on the same day.
- 1.1.3** The broad time-limit for receipt of cheques (say up to 3 hours after opening of branch 1hour before closure of business etc.), which can be fine-tuned for individual locations/ branches based on local practices, will be fixed by the Regional Offices for respective branches.
- 1.1.4** All the collection boxes shall indicate clearly the time up to which cheques dropped in the collection boxes would be sent for clearing on same day.
- 1.1.5** Cheques deposited after the cut-off time and in collection boxes outside the branch premises including off-site ATMs will be presented in the next clearing cycle.
- 1.1.6** Bank branches situated at centers where no clearing-house exists, will present local cheques on drawee banks across the counter and proceeds would be credited, at the earliest on realization.
- 1.1.7** The time line for collection/ clearing of local cheques will be extended by an extra day in case of branches having non- Sunday weekly off and for 7-day banking branches.
- 1.1.8** Bank branches shall have both the cheque drop box facility and the acknowledgment facility at its collection counters. Branches shall not refuse to give an acknowledgment to the customers if the latter asks for the same while tendering cheque for collection at the bank branch's counter.
- 1.1.9** Bank will give credit to the customer's account on the same day the clearing settlement takes place. Withdrawal of amount so credited would be permitted as per the cheque return schedule of the clearing house at the center.

1.2 Outstation Cheques

1.2.1 Branches shall not decline to accept outstation cheques deposited by its customers for collection.

1.2.2 Outstation Cheques payable in India- Cheques drawn on other banks at outstation centers in India will normally be collected through our own branches at those centers,. Where the bank does not have a branch of its own, the instrument would be directly sent for collection to the drawee bank or collected through a correspondent bank.

1.2.3 Cheques drawn on bank's own branches at outstation centres will be collected using the Inter-branch arrangements in vogue. Branches which are connected through a centralized processing arrangement and are offering anywhere banking services to its customers will provide same day credit to its customers in respect of outstation instruments drawn on any of its branches in the CBS network provided cheques/ instruments are presented within normal business hours of both branches.

1.3 Cheques Payable in Foreign Countries

1.3.1 Cheques payable at foreign centers where bank has branch operations or banking operations through subsidiary etc., cheques will be collected through that office.

1.3.2 The services of correspondent banks will be utilized in country/centers where the correspondent has presence.

1.3.3 Cheques drawn on foreign banks at centers where the Bank or its correspondents do not have direct presence will be sent to the drawee bank with instruction to credit proceeds to the respective Nostro Account of the bank maintained with correspondent bank.

1.3.4 For cheques sent under 'Cash Letter System', the correspondent bank will give provisional credit to the bank on a predetermined date (within 9 to 10 days after tendering of cheque to the correspondent bank). However, it will again be subject to cooling period (i.e. waiting period for the possible return of the cheque under provisions of law of the respective countries). As per custom and general practice, the cooling period is taken for 21 days from the date of provisional credit in banks Nostro Account.

1.3.5 Proceeds of cheques sent for collection other than Cash Letter System immediately upon realization will be either converted into Rupees or retained in Foreign Currency Account as per customers' instructions.

1.3.6 The various articles as mentioned in the International Chamber of Commerce, Uniform Rules for Collection (ICC-522) will be applicable for collection of cheques. The salient features of ICC are as under:

- The customer instructing the Bank to perform services shall be bound by and liable to indemnify the Bank against all obligations and responsibilities imposed by foreign laws and usage.

- Customers depositing cheques drawn on foreign centers are expected to be aware of usage/practices and laws related to cheques collection prevailing in drawee countries.
- The cheques sent for collection by the collecting bank can be returned by the banks located in foreign country (after their presentation in clearing/collection) due to fraud/ financial reason. The fraudulent cheques can be returned by the banks in foreign countries at any time for their presentation.
- In case of returned cheques, no protection is available to the collecting bank. Since the foreign bank recovers the amount of returned cheques earlier credited into A/c of collecting Bank by debiting its Nostro account, the collecting Bank will not be able to provide any compensation to the depositor for cheques returned on fraud/ financial reasons
- Further, the Bank has right to recover the proceeds of the cheques credited in depositor's account (at the ruling exchange rate equivalent to foreign currency amount debited by foreign bank to the Nostro account of the collecting Bank) along with the interest from the date of credit of proceeds till the date on which amount is recovered.

1.4 Bills for Collection

Bills for collection including bills discounted required to be collected through another bank at the realizing centre shall be forwarded direct by the forwarding office to the realizing office.

1.5 Payment of Interest for Delay in Collection of Bills

The lodger's bank shall pay interest to the lodger for the delayed period in respect of collection of bills at the rate of 2% p.a. above the rate of interest payable on balances of Saving Bank accounts. The delayed period shall be reckoned after making allowance for normal transition period based upon a time frame of 2 days each for (1) Dispatch of bills, (2) Presentation of bills of drawees, (3) Remittance of proceeds to the lodger's bank (4) Crediting the proceeds to drawer's account. To the extent the delay is attributing to the drawee's bank, the lodger's bank may recover interest for such delay from that bank.

1.6 Collection of Account Payee Cheque- Prohibition on Crediting Proceeds to Third Party Account

1.6.1 In consonance with the legal requirements and in particular the intent of the Negotiable Instrument Act, 1881 and the Reserve Bank of India directives, bank shall not collect account payee cheques for any person other than the payee constituent and the bank shall not credit 'account payee' cheque to the account of any person other than the payee named therein.

1.6.2 In order to facilitate collection of cheques from a payment system angle, account payee cheques deposited with the sub- member for credit to their customers' account can be collected by us as a member bank of the clearing house. Under such arrangements, there should be clear

undertaking to the effect that the proceeds of the account payee cheques will be credited to the payee's account only, upon realization.

1.6.3 With a view to mitigate the difficulties faced by the members of co-operative credit societies in collection of account payee cheques, our bank's branches as a collecting bank shall consider collecting account payee cheques drawn for an amount not exceeding Rs.50000/- to the account of their customers who are co-operative credit societies, if the payees of such cheques are the constituents of such co-operative credit societies. While collecting the cheques as aforesaid, our branches shall have a clear representation in writing given by the co-operative credit societies concerned that upon realization, the proceeds of the cheques shall be credited only to the account of the member of the cooperative credit society who is the payee named in the cheque. This shall, however, be subject to the fulfillment of the requirements of the provisions of Negotiable Instrument Act, 1881, including Section 131 thereof.

1.7 Immediate Credit of Local/Outstation Cheques / Instruments

1.7.1 Branches /Extension Counters of the bank will provide immediate credit for outstation cheques/ instruments up to the aggregate value of Rs.15, 000/- tendered for collection by individual account holders subject to satisfactory conduct of such accounts for a period not less than 6 months. Immediate credit will be provided against such collection of instruments at the specific request of the customer or as per prior arrangement. The facility of immediate credit would also be made available in respect of local cheques at centers where no formal clearing-house exists.

1.7.2The facility of immediate credit shall also be available in the case of instruments denominated in U.S.Dollars and other foreign currencies provided the rupee equivalent of such instrument is not more than Rs. 15000/- subject to the same norms as applicable to domestic cheques. However, in the event of such instruments being returned due to non-payment, the customer concerned will be required to bear the loss on account of movement in exchange rates and pay overdue interest at the prescribed rate for the period the advance was outstanding.

1.7.3The facility of immediate credit will be offered on Savings Bank/Current/Cash Credit accounts of the customers. For extending this facility there will not be any separate stipulation of minimum balance in the account.

1.7.4 The Bank shall afford immediate credit for all instruments payable at par, like Interest/ Dividend Warrants and other prepaid instruments like demand draft etc. drawn by a bank on its branches.

1.7.5 In the event of dishonour of cheque against which immediate credit was provided, interest shall be recoverable from the customer for the period the bank remained out of funds at the rate applicable for overdraft limits sanctioned for individual customers.

1.7.6 For the purpose of this Policy, a satisfactorily conducted account shall be the one

- Which is opened at least six months earlier and complying with KYC norms

- Conduct of which has been satisfactory & bank has not noticed any irregular dealings
- Where no cheques/instruments for which immediate credit was afforded returned unpaid for financial reasons
- Where the bank has not experienced any difficulty in recovery of any amount advanced in the past including cheques returned after giving immediate credit.

1.7.7 Bank shall levy normal collection charges and out of pocket expenses while providing immediate credit against outstation instruments tendered for collection. Exchange charges applicable for cheque purchase will not, however, be charged.

1.7.8 Minor's account whether individually, jointly or represented by natural guardian, Non Residents , Self cheques, endorsed cheques and Exchange company cheques are not eligible for immediate credit of local/ outstation cheques under the present policy.

1.8 Purchase of Local/Outstation Cheques

Bank shall, at its discretion, purchase local/outstation cheques tendered for collection at the specific request of the customer or as per prior arrangement. Besides satisfactory conduct of account, the standing of the drawer of the cheque will also be a factor of consideration while purchasing the cheque.

1.9. Service Charges on Collection of Cheques / Instruments

For all collection services, services charges as prescribed from time to time and actual postages (Regd. / Speed Post) or courier charges / out of pocket expenses to be recovered by the Bank.

2. Time Frame for Collection of Local/ Outstation Cheques/Instruments

2.1 The cheques deposited by customers up to three hours before the respective clearing schedules will be sent to the clearing house on the same day. However, branches are authorized to fine-tune the time frame by reducing the time limit for deposit of cheques for sending the same for clearing on the same day in the greater interest of the individual customers depending upon the prevailing local clearing schedule.

2.2 RBI has formulated CTS Clearing under Grid Clearing system.

At present there are three Grid centers

- 1) Southern grid at Chennai covering Kerala, Andhra Pradesh, Karnataka, Tamilnadu, Orissa, West Bengal, and North Eastern States.
- 2) Northern Grid at Delhi covering Jammu & Kashmir, Punjab, Haryana, Rajasthan, New Delhi, Bihar, Utter Pradesh, Jharkhand, Uttaranchal.
- 3) Western Grid at Mumbai covering Maharashtra, Goa, Gujarat, Madhya Pradesh and Chhattisgarh.

RBI proposes to start one more Grid as Eastern Grid in near future. Outstation cheques of our bank's branches presented at any branch situated in above Grids. shall be treated as local cheques in respect of time limit for collection. However, collection shall be subject to payment of prescribed collection charges to other outstation cheques.

2.3 The time norms for deposit of cheques for sending the same to the clearing house on the same day will be displayed in the branch premises as well as on the cheque drop boxes for information of the customers.

2.4 Time frame for collection of cheques and other instruments sent for collection within the country shall be as under:

- The cheques drawn on the Bank situated in the Grid Centre and the same are multicity cheques, the time norm will be T +1. If the cheques are drawn on the Bank situated within the Intra Grid – No collection charges will be payable and Cheque drawn on the Bank situated in Inter Grid, Charges for collection will be charged as appropriate to Speed clearing.
- Cheques presented at any of the four major Metro Centers (New Delhi, Mumbai, Kolkata and Chennai) and payable at any of the other three centers: Maximum period of 7 days.
- Metro Centers and State Capitals (other than those of North Eastern States and Sikkim): Maximum period of 10 days.
- In all other Centers: Maximum period of 14 days.
- Cheques drawn on foreign countries: For cheques payable at foreign centres, the services of correspondent Banks will be utilized incountry/centres where the correspondent bank has its presence. Cheques drawn on foreign banks at centres where correspondent bank do not have direct presence will be sent directly to the drawee bank with instructions to credit proceeds to the respective Nostro Account of the Bank maintained with the correspondent banks. Bank will give credit to the party on credit of proceeds to the Banks Nostro Account with the correspondent bank after taking into account cooling periods, as applicable to the countries concerned.
- Holidays are to be excluded for the purpose of reckoning the collection period prescribed above. The above time norms are applicable irrespective of whether cheques/instruments are drawn on the bank's own branches or branches of other banks.

3. Interest Payment for Delayed Collection

3.1 Payment of Interest for delayed collection of outstation cheques sent for collection within India

3.1.1 If there is any delay in collection beyond the specified period as mentioned above, interest at the rates specified as below shall be paid.

- Savings Bank rate for the period of delay beyond 7/10/14 days respectively as applicable, in collection of outstation cheques.
- Where the delay is beyond 14 days, interest will be paid at the rate applicable for term deposit for the respective period. In case of extra ordinary delay i.e. delays exceeding 90 days, interest will be paid at the rate of 2% above the corresponding Term Deposit rate.
- In the event the proceeds of cheque under collection were to be credited to an overdraft/loan account of the customer, interest will be paid at the rate applicable to the loan account. For extraordinary delays i.e. delays exceeding 90 days, interest will be paid at the rate of 2% above the rate applicable to the loan account.

3.1.2 Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the bank's own branches or on other banks for the purpose of payment of interest on delayed collection. Further, the interest payment as given above would be applicable only for instruments sent for collection within India.

3.1.3 Where the delay in collecting the proceeds of an instrument is on account of unjustified delay on the part of the clearing bank, the sending branch of our bank shall duly inform the same to the lodger of the instrument for taking appropriate measures as he/ she deems fit. In such cases, for the delay on the part of clearing bank, our bank shall not be liable to pay interest after the expiry of the maximum period for collection i.e. 7/10/14 days as applicable.

3.1.4 If the sending branch of our bank receives clearing advice from the clearing bank prior to the expiry of the outer limit i.e. 7/10/14 days, as applicable, the credit shall be given to the customer on the same day or the following date.

3.1.5 Holidays are to be excluded for the purpose of reckoning the collection period prescribed above.

3.2 Payment of Interest for Delayed Collection of Cheques Sent for Collection to Foreign Countries

3.2.1 Bank shall pay interest on amount of cheque from the date of sighting credit in their Nostro account till such time the customer's account is credited. Interest shall be paid at the Saving Bank rate calculated on the amounts of proceeds credited to the customer's account.

3.2.2 Saturdays may continue to be treated as working day except for transactions involving conversion at confirmed exchange rate.

4. Cheques/ Instruments Lost in Transit/ in Clearing Process/ at Paying Bank's Branch

4.1 In the event of a cheque or an instrument accepted for collection is lost in transit or in the clearing process or at the paying bank branch, the Bank shall immediately on coming to know out the loss, bring the same to the notice of the account holder so that the account holder can inform the drawer to record stop payment and also take care of cheques, if any, issued by him/her are not dishonoured due to non-credit of the amount of the lost cheques/instruments.

4.2 The Bank shall provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque, if required. In case an international cheque is lost, Bank shall also advise the correspondent/ drawee bank all particulars of lost cheques/instruments for exercising caution. The bank shall arrange to get payment of the international instrument based on the photocopy/ scanned image of the instrument wherever the practice is prevalent.

4.3 Where a cheque/ instrument is claimed to have been deposited by the customer in Drop-Box, but Bank's records do not show receipt of such cheque with the Bank, Bank cannot decide on the compensation amount for lost cheque, as mentioned herein under in the absence of details of cheque like date, amount, drawee bank/ branch/ drawee Centre etc. In such cases, the customer will have to corroborate a claim for lost cheque with full facts, inter-alia including

confirmation/ enquiries from the drawee person/ banks about genuineness of the claim and on this basis, if it is established that the customer has, in fact, tendered the cheque in Drop- Box, Bank shall consider payment of compensation as mentioned herein under.

4.4 Bank shall compensate the account holder in respect of instruments lost in transit in the following way.

- In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7/10/14 days, as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified above.
- In addition, Bank will pay interest on the amount of the cheque for a further period of 15 days at Saving Bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- The Bank would also compensate the customer for any reasonable charges (maximum Rs. 100/- for domestic instruments and Rs. 250/- for international instruments), he/she incurs in getting duplicate cheque/instrument upon production of receipt, in the event the instrument is to be obtained from a bank/institution who would charge a fee for issue of duplicate instrument.
- Bank shall bear all the cost for obtaining duplicate instrument when a cheque, which has been discounted/ is lost. But the customer will assist in obtaining duplicate instrument. His/ her liability under Negotiable Instrument Act will not be extinguished till Bank receives the proceeds of Cheque.

5. Procedure for Dishonoured Cheques

5.1 Returning – Dishonoured Cheques

5.1.1 The branches of the Bank shall return/ dispatch the dishonoured instruments to the customer at his / her last recorded address available with the branch through courier/ post promptly without delay, in any case within 24 hours. Cheque returning charges as specified in the Schedule of Service Charges of the bank in force at the time of return of the cheque would be levied.

5.1.2 The paying bank shall return dishonoured cheques presented through clearing houses strictly as per the return discipline prescribed by respective clearing houses in terms of Uniform Regulation and Rules for Banker's Clearing Houses. The collecting Bank on receipt of such dishonoured cheques shall dispatch it immediately to the payee/ holders.

5.1.3 In relation to cheques presented direct to paying bank for settlement of transaction by way of transfer between two accounts with that bank, it shall return such dishonoured cheques to payees/ holders immediately.

5.1.4 A return advice will be prepared wherein the reason for return of cheque will be indicated. The advice along with the cheque will be sent to the customer by registered post/local delivery without delay.

5.1.5 Cheques dishonoured for want of funds in respect of all accounts should be returned along with a memo indicating therein the reason for dishonour as “insufficient funds”.

5.2 Information on Dishonoured Cheques

5.2.1 Data in respect of each dishonoured cheque for an amount of Rs.1 crore and above shall be made part of Banks MIS on constituents and concerned branches shall report such data to their respective Regional Offices on a monthly basis and in turn Regional Offices shall consolidate and submit the same to Central Office.

5.2.2 Data in respect of cheques drawn in favour of stock exchanges and dishonoured shall be consolidated separately by branches irrespective of the value of such cheques as a part of their MIS relating to broker entities and be reported to the respective Regional Offices on a monthly basis. The Regional Offices will consolidate and submit this information to Central Office every month.

5.3 Dealing with Frequent Dishonour of Cheques of Rs.1 crore and above

5.3.1 With a view to enforce financial discipline among the customers, Bank has decided to introduce a condition for operation of accounts with cheque facility that in the event of dishonour of a cheque valuing rupees one crore and above drawn on a particular account of the drawer on four occasions during the financial year for want of sufficient funds in the account, no fresh cheque book would be issued. The bank may also consider closing current account at its discretion. However, in respect of advances accounts such as Cash Credit account /Overdraft account, the need for continuance or otherwise of these credit facilities and the cheque facility relating to these accounts shall be reviewed by appropriate authority higher than the sanctioning authority.

5.3.2 For the purposes of introduction of the condition mentioned as above in relation to operation of the existing accounts, Branches may at the time of issuing new cheque book, issue a letter advising the constituents of the new condition.

5.3.3 If a cheque is dishonoured for a third time on a particular account of the drawer during the financial year, Bank shall issue a cautionary advice to the concerned constituent this attention to aforesaid condition and consequential stoppage of a cheque facility in the event of cheque being dishonoured on fourth occasion on the same account during the financial year. Similar cautionary advice shall be issued if the Bank intends to close the account.

5.4 Dealing with Frequent Dishonour of Cheques of Value of Less than Rs.1 crore

5.4.1 With a view to enforce financial discipline among the customers, Bank has decided to introduce a condition for operation of accounts with cheque facility that in the event of dishonour of a cheques of value of less than Rs.1 crore, drawn on a particular account of the drawer on five occasions during the financial year for want of sufficient funds in the

account, no fresh cheque book would be issued. The bank may also consider closing current account at its discretion. However, in respect of advances accounts such a Cash Credit account, Overdraft account, the need for continuance or otherwise of these credit facilities and cheque facility relating to these accounts shall be reviewed by appropriate authority higher than the sanctioning authority.

5.4.2 For the purposes of introduction of the condition mentioned as above in relation to operation of the existing accounts, Bank may at the time of issuing new cheque book, issue a letter advising the constituents of the new condition.

5.4.3 If a cheque is dishonoured for a fourth time on a particular a/c of the drawer during the financial year, Bank will issue a cautionary advice to the concerned constituent drawing his attention to aforesaid condition and consequential stoppage of cheque facility in the event of cheque being dishonoured on fifth occasion on the same account during the financial year. Similar cautionary advice will be issued if the Bank intends to close the account.

5.5 Proceedings in case of Dishonoured Cheques

For the purpose of adducing evidence to prove the fact of dishonour of cheque on behalf of a complaint (i.e. payee/holder of a dishonoured cheque) in any proceeding relating to dishonoured cheque before a court, consumer forum or any other competent authority, bank shall extend full cooperation and shall furnish him/her documentary proof of fact of dishonour of cheques.

Bank shall place a note before Top Management every quarter, consolidated data in respect of the matters referred to above.

5.6 Dealing with Frequent Dishonour of ECS

5.6.1 The practice of issuance of ECS mandates without maintaining adequate funds undermines the credibility of such mandates and is an unhealthy trend that needs to be curbed. As such, Bank requests its customers to maintain adequate balance before accepting ECS debit mandate. If it is observed that practice of issuing ECS mandate persists in case of any customer, then such cases shall be dealt as mentioned here under.

5.6.2 With a view to enforce financial discipline among the customers, Bank has decided to introduce a condition for operation of accounts where customer is using ECS facility. That in the event of dishonour of ECS instructions, drawn on a particular account of the drawer on three occasions during the financial year for want of sufficient funds in the account, the presenting bank will delete the ECS instruction from the list. The Bank may also consider closing account at its discretion. However, in respect of advance accounts such as Cash credit account/ Overdraft account, the need for continuance or otherwise of these credit facilities and the cheque facility relating to these accounts shall be reviewed by appropriate authority higher than the sanctioning authority.

5.6.3 For the purpose of introduction of the condition mentioned as above in relation to operation of the existing accounts, Bank may at the time of accepting the ECS mandate, issue a letter advising the constituents about the new condition.

5.6.4 If an ECS instruction is returned for second time on a particular account of the drawer during the financial year, Bank shall issue a cautionary advice to the concerned constituent drawing his attention to aforesaid condition and consequential closure of the account in the event of ECS instructions being dishonoured on third occasion on the same account during the financial year.

5.6.5 ECS mandates returned for want of funds in respect of all the accounts shall be returned with the reason of return as “insufficient funds”.

5.6.6 Presently many centers ECS working is on RBI platform which will shift to NACH platform. New mandate in prescribed format is to be registered with NPCI with effect from 31/03/2015. The format is available with branch.

Note:- If account is having cheque book facility and NACH/ ECS mandate is also registered, than incident of dishonour will be taken in to account for both dishonour of cheque and failed NACH/ ECSs, branch may consider for closing of account after serving 30 days notice to the customer in event of subsequent dishonour of cheque/ NACH/ ECS mandate in the account.

5.7 Levy of Cheque Return Charges

5.7.1 Cheque return charges shall be levied only in cases where the customer is at fault and is responsible for such returns. A list of objections where customers are not at fault is given hereunder.

5.7.2 Cheques that need to be re-presented without any recourse to the payee, shall be made in the immediate next presentation clearing not later than 24 hours (excluding holidays) with due notification to the customers of such re-presentation through SMS alert, mail etc.

5.7.3 List of Objections where Customers are not at Fault (as detailed in Annexure D to Uniform Regulations and Rules for Bankers’ Clearing House)

Code No.	Reason for Return
33	Instrument mutilated; requires Bank’s guarantee
35	Clearing House stamp/date required
36	Wrongly delivered/not drawn on us
37	Present in proper Zone
38	Instrument contains extraneous matter

39	Image not clear; present again with paper
40	Present with document
41	Item listed twice
42	Paper not received
60	Crossed to two banks
61	Crossing stamp cancelled
62	Clearing stamp not cancelled
63	Instrument specially crossed to another bank
67	Payee's endorsement irregular/requires collecting bank's confirmation
68	Endorsement by mark/thumb impression requires attestation by Magistrate with seal
69	Advice not received
70	Amount/Name differs on advice
71	Drawee bank's fund with sponsor bank insufficient (applicable to sub-members)
72	Payee's separate discharge to bank required
74	Pay order requires counter signature
75	Required information not legible/correct
80	Bank's certificate ambiguous/incomplete/required
81	Draft Lost by issuing Office: confirmation required from issuing office
82	Bank/Branch blocked
83	Digital Certificate validation failure
84	Other reasons-connectivity failure
87	'Payee's a/c Credited'- Stamp required
92	Bank exclude

***The list is illustrative but not exhaustive.**

5.8 Charging of Interest on Cheques Returned Unpaid where Instant Credit was already afforded

- 5.8.1 If a cheque sent for collection for which immediate credit was provided by the Bank is returned unpaid, the value of the cheque will be immediately debited to the account.
- 5.8.2 No interest is to be charged to the customer for the period between the date of outstation cheque and its return unless the Bank had remained out of funds on account of withdrawal of amount. Interest where applicable would be charged on the notional overdrawn balances in the account had credit not been given initially.
- 5.8.3 If the proceeds of the cheques were credited to the Saving Bank Account and were not withdrawn, the amount so credited will not qualify for payment of interest when the cheques are returned unpaid.
- 5.8.4 If proceeds were credited to an Overdraft/Loan account, interest shall be recovered at the rate of 2% above the interest rate applicable to the overdraft/loan from the date of credit to the date of reversal of the entry if the cheque/instrument was returned unpaid to the extent the bank was out of funds.

5.9 Arrangement for Clearing of Non-CTS-2010 Standard Instruments

Reserve Bank of India (RBI), Dept of Payment & Settlement System, Central Office, Mumbai vide their communication DPSS.CO.CHD.No.133/04.07.05/2013-2014 dated 16.07.2013 have informed that while Banks have begun to issue fresh cheques in the CTS-2010 format, there is still a large volume of non-CTS-2010 format cheques being presented in image- based clearing. Accordingly, it has been decided to put in place following arrangements for clearing of residual non-CTS-2010 standard cheques .

5.9.1 Separate clearing session will be introduced in the three CTS centers (Mumbai, Chennai and New Delhi) for clearing of such residual non-CTS-2010 instruments (including PDC and EMI cheques) with effect from January 1, 2014. This separate clearing session will initially operate thrice a week (Monday, Wednesday and Friday) up to April 30, 2014. Thereafter, the frequency of such separate sessions will be reduced to twice a week up to October31, 2014 (Monday and Friday) and further to weekly once (every Monday) from November 1, 2014 onwards. If the indentified day for clearing non-CTS-2010 instruments falls on a holiday under Negotiable Instruments Act, 1881, presentation session on such occasions will be conducted on the previous working day.

5.9.2 Upon the commencement of special session for non-CTS-2010 standard instruments, drawee banks will return the non-CTS-2010 instruments, if any, presented in the regular CTS clearing, under reason code '37-Present in proper zone'. Such returned instruments will have to be re-presented by the collecting bank in the immediate next special clearing session for non-CTS-2010 instruments.

5.9.3 Branches will continue to present such non-CTS-2010 instruments in Express Cheques Clearing System (ECCS) centers and MICR CPCs till such time CPCs are in operation.

5.9.4 During the transition period, the existing clearing arrangements will continue and all cheques issuing Banks will make efforts to withdraw non -CTS-2010 Standard Cheques in circulation, weekly one day (every Monday) separate clearing session will be held and thereafter it will be discontinued as per RBI guidelines.

6. Service Charges

6.1 Schedule of Service Charges

SL	Collection of Cheques/DDs	Collection Charges
1	Local Clearances of Cheques/DDs drawn Within the same Grid and At Par Instruments	FREE
2	Outstation Cheques/ DDs Cheques drawn on different Gridand outside the Grid Centre.	Details as per service charges on deposits
3	Cheques for Collection- Returned Unpaid(Outward) <ul style="list-style-type: none">• Local Cheques• Outstation Cheques	Details as per service charges on deposits

6.2 Concessions /Exemption/ Free collection facility

- Ex-Servicemen to meet their present requirements
- Government Department attached to Ministry of Commerce/Food & Civil Supplies/Textiles & State Govt. Department/Railways/Defence etc.
- Religious, Welfare, Service & Charitable Institution, if they are exempted from payment of Income Tax
- At par collection of cheques (only cheques issued by Government representing subsidy under Government sponsored schemes).
- At par collection of salary bills of teachers employed in Govt. run schools
- Blind, Physically Handicapped, Disabled persons and institutions set up for their benefits
- Cheques deposited by DRDA, Farmers Co-operative Societies sponsored by our Bank, Primary Agricultural Societies banking with our bank
- Free collection for Prime Minister's Relief Fund/Chief Minister's Relief Fund/National Defence Fund
- Dividend Warrants, Interest Warrants and Refund Orders for amount up to Rs. 500/-
- Gift cheques of our Bank to be collected at par
- Collection of pension cheques of pensioners of Central/State Govts. and Armed Forces
- Collection of cheques of Freedom Fighters

6.3 Concessions to RRBs sponsored by our Bank

- ❖ Third Party Cheques/instruments drawn on PSBs and collected by RRBs
- ❖ Third Party Cheques tendered by PSBs and collected by RRBs

6.4 Concession to Staff and Ex-staff

- ❖ Collection of Cheques/Instruments: FREE

Force Majeure

The Bank shall not be liable to compensate customers for delayed credit if some unforeseen event (including but not limited to civil commotion, sabotage, lockout/ strike/ other labour disturbances, due notice whereof is given in advance to the customers through media, accident, fires, natural disasters or other "Acts of God", war, damage to bank's facilities or of its correspondent bank(s), absence of all types of usual modes of transportation, etc.) beyond the control of the bank prevents it from performing its obligation within the specified service delivery parameters.

Customer Grievances Redressal

Bank has a structured Customer Grievances Redressal Policy displayed in its web site. Any customer having grievances against the bank on any of the above grounds or having complaints due to non-payment or inordinate delay in the payment or collection of cheques will be redressed as per our Customer Grievances Redressal Policy.