

## Bank's Model Policy on Collection of Cheques / Instruments

### 1. Introduction:

Keeping in view the technological progress in payment and settlement systems and the qualitative changes in operational systems and processes that have been undertaken by a number of banks, the Reserve Bank of India had, with effect from 1st November 2004, withdrawn its earlier instructions to commercial banks on (i) Immediate Credit of local / outstation cheques, (ii) Time Frame for Collection of Local / Outstation Instruments and (iii) Interest Payment for Delayed Collection.

The withdrawal of these mandatory guidelines was expected to enable market forces of competition to come into play to improve efficiencies in collection of cheques and other instruments. This collection policy of the Bank is a reflection of our on-going efforts to provide better service to our customers and set higher standards for performance.

The policy is based on principles of transparency and fairness in the treatment of customers. The bank is committed to increased use of technology to provide quick collection services to its customers.

### This policy document covers the following aspects –

- ❖ Collection of cheques and other instruments payable at centres within India and abroad.
- ❖ Our commitment regarding time norms for collection of instruments.
- ❖ Policy on payment of interest in cases where the bank fails to meet time norms for realization of proceeds of outstation instruments.
- ❖ Our policy on dealing with collection instruments lost in transit.
- ❖ Availability of option of Positive Pay to customers.

### 2. Objective of Policy

- ❖ To safeguard the customers' interest and avoid possible dispute and time taken in settlement of such disputes.
- ❖ To stop physical movement of cheques and replacement of physical instrument by image of instrument and the corresponding data contained in MICR Line.
- ❖ To reduce fraudulent cases related to clearing of cheques.

### 3. Arrangements for Collection:

#### 3.1. Local Cheques

(a). All CTS Compliant Cheques and other Negotiable Instruments which are payable under a grid system will be presented through the clearing system prevailing at the centre. 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. The broad time limit / cut – off time for presenting of clearing will be decided by the respective branch head in consultation with Zonal Office based on location of branch / practices, etc. However, such cut-off time limit will be clearly indicated on cheque drop boxes located at branch premises.

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. As a policy, bank would give credit to the customer account on the day clearing settlement takes place. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the clearing house.

(b) Bank branches situated at centers which are not members of any CTS Grid or where no clearing house exists, would present local cheques on drawee banks across the counter and it would be the bank's endeavour to credit the proceeds at the earliest but not later than 3<sup>rd</sup> working day from the date of deposit by customer.

### **3.2. Outstation Cheques**

(a) Cheques drawn on other banks at outstation centres other than those covered under 3.1 above, will normally be collected through bank's branches at those centres. 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.

(b) 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 if received in the branch up to specified time and latest by next working day if deposited / dropped in collection box outside the branch premises including the offsite ATMs.

### **3.3 CTS Cheques (Cheque Clearing Process under CTS based Clearing System)**

Cheque truncation is the process of eliminating the flow of physical cheque issued by a drawer to the Drawee Branch. The physical cheques are truncated and electronic images of the cheques are captured for processing. The physical cheques are retained at the presenting bank itself. The captured image along with data is exchanged across the Banks.

#### **3.3.1 Receiving payment based on an electronic image of truncated cheque:**

- Legal status of the cheque transaction is derived from amendments made to the Negotiable instrument Act, 1881 by virtue of Negotiable Instruments {Amendments and Miscellaneous Provision) Act, 2002 whereby among others, the section 6,64, 81, 89 & 131 of the NI Act, 1881 are also suitably amended to incorporate the validity of the truncated image of the cheque.
  - Cheque truncation system- Section 131 of Negotiable Instrument Act 1881 ( Amendments)
  - Onus of due diligence shifted to the presenting bank in CTS environment  
It shall be the duty of the bank who receives payment based on an electronic image of a truncated cheque held with him, to verify the prima facie genuineness of the cheque to be truncated and any fraud, forgery or tampering apparent on the face of the instrument that can be verified with due diligence and ordinary care as per the guidelines of the NI Act 1881, as amended from time to time.

- In view of the above amendment, the presenting bank takes responsibility for exercise of due diligence. The branches while sending cheques to CTS Scanning Center / Clearing Centre / Hub should ensure the following:
  - To exercise due diligence on all instruments
  - To check the apparent tenor of the instruments
  - To ensure verification under Ultra Violet Lamp(UVL)
  - To scrutinize the cheques for material alteration
  - To ensure genuineness and validity of instruments
  - To ensure that pay in slip is properly filled up with correct and complete account number and name of the account holder
  - To ensure that the complete account number is written on the back of the cheque / instruments along with the mobile no. of the depositor.
- The scanning center/clearing center/hub while scanning the instruments should inter-alia also ensures the following:
  - To check the apparent tenor and genuineness of the instruments
  - To ensure verification of instruments under Ultra Violet Lamp (ULV)
  - To ensure that instrument confirms to features of CTS 2010 standard
  - To ensure that physical feel of the instrument meets the usual paper standard used for cheque.
  - To ensure that no material alteration visible to naked eye

**3.2.2 Our Branches issue only Payable at Par CTS Standard 2010 cheques to Customers**

**3.3.3 Cheque Truncation System (CTS) is presently working at New Delhi Grid at Delhi, Chennai Grid in Chennai and Mumbai Grid in Mumbai**

**3.3.4 States covered in GRID based CTS-2010 centers:**

<b>Grid</b>	<b>Location</b>	<b>States Covered</b>
Northern Grid	New Delhi	NCR of New Delhi, Haryana, Punjab, Uttar Pradesh , Uttarkhand, Bihar, Rajasthan, Himachal Pradesh, Jharkhand ,Union Territory of Jammu and Kashmir, Union Territory of Ladakh, and the Union Territory of Chandigarh
Southern Grid	Chennai	Andhra Pradesh, Telangana, Karnataka, Kerala, Tamilnadu, Odisha, West Bengal, North Eastern States, and the Union Territory of Puducherry.
Western Grid	Mumbai	Maharashtra, Goa, Gujarat, Madhya Pradesh and Chhattisgarh.

**3.4 Non-CTS cheques**

Non CTS cheques will be presented in the clearing house at the prescribed intervals which is presently once in a month on second Wednesday of the month or as decided by RBI, from time to time. In certain categories of cheques, (subject to amendments in guidelines) or instruments demanded by the correspondent Bank or Image Quality Assessment (IQA) failure will be presented in physical form to the drawee Bank.

### 3.5 Cheques payable in Foreign Countries

Cheques payable at foreign centres where the bank has branch operations (or banking operations through a subsidiary, etc.) will be collected through that office. The services of correspondent banks will be utilized in country / centres where the correspondent has presence. Cheques drawn on foreign banks at centres where the bank or its correspondents do not have direct presence will be sent direct to the drawee bank with instructions to credit proceeds to the respective NOSTRO Account of the bank maintained with one of the correspondent banks.

The time norms for collection and return of the instruments, varies from country to country and place to place within the country where a 'hold period' is prescribed. The due date for providing credit is calculated from date of notional credit in NOSTRO account plus the hold period prescribed for the country.

#### Cooling / Hold Period

##### For USD cheques drawn on Banks in USA:

- i. For cheques drawn on Banks in New York city area  
(New York, Connecticut & New Jersey) : 7 New York business days
- ii. For cheques drawn on USA but outside New York  
city area : 11 New York business days

##### For EURO cheques drawn on Banks in various countries in European Union:

	<u>Country</u>	<u>Hold period in working days</u>
i.	Germany	27 days
ii.	Austria	27 days
iii.	Belgium	12 days
iv.	Spain	12 days
v.	Ireland	14 days
vi.	Italy	30 days
vii.	Luxemburg	12 days
viii.	Portugal	10 days
ix.	Sweden	14 days
x.	France	6 days

For GBP cheques drawn on Banks in UK: 9 UK working days

**Note:** These days are subject to revision from time to time depending upon the practices of those countries.

The Bank may consider providing upfront credit by purchasing the instrument, if the conduct of the account has been satisfactory in the past, for a charge at Bank's sole discretion.

The various articles as detailed in the International Chamber of Commerce, Uniform rules for collection (ICC-522) will be applicable for collection of cheques. 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 usages.

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. Suitable notice may be displayed at branches for this purpose.

The cheques sent for collection by the collecting Bank can be returned by the Banks located in any foreign country (after their presentation in clearing/collection) due to fraud / financial reasons. The fraudulent cheques can be returned by the Banks in Foreign countries at any time after their presentation.

i) 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 account 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.

ii) 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.

### **3.6 Discontinuation of the requirement of Paper to Follow (P2F) for State Government Cheques**

- a. As per RBI circular dated 20.06.2019, it has now been decided, to dispense with the current requirement of forwarding the paid State Government Cheques in Physical Form (Commonly known as P2F) to the State Government departments/ treasuries.
- b. In Cheque Truncation System, the 'Drawee Bank' means the dealing branch of a bank accredited to a Ministry/Department/Treasury/Sub-Treasury on which the cheques are drawn. The 'presenting bank' means a branch of any bank where the cheques are presented for payment by the clients. Both the presenting banks and Drawee banks would continue to discharge their duties prescribed under various Acts/Regulations/Rules such as the Negotiable Instruments Act 1881, Bankers' Books Evidence Act 1891, Uniform Regulations and Rules for Bankers' Clearing Houses, Procedural Guidelines for Cheque Truncation System etc. with respect to payment of cheques. The government cheques would henceforth be paid in CTS clearing solely based on their electronic images. The paid cheques in physical form would be retained by the presenting bank.
- c. In case any Drawee bank desires to verify the government cheque in physical form before passing it for payment, the image would be returned unpaid under the reason "present with

document". The presenting bank on such instances shall ensure that the instrument is presented again in the next applicable clearing session without any reference to the account holder (payee).

- d. The presenting banks are required to preserve the physical instruments in their custody securely for a period of 10 years as required under Procedural Guidelines for CTS. In cases one specific cheques are required for the purpose of any investigation, enquiry, etc., under the law, they may be preserved beyond 10 years. Drawee banks shall make necessary arrangements to preserve the images of all government cheques for a period of 10 years with themselves or through the National Archival System put in place by National Payments Corporation of India (NPCI).
- e. The government cheques paid by a drawee bank across its counter by way of cash withdrawal or transfer also need to be truncated and preserved for 10 years. Adequate safeguards shall be built to ensure that these images are captured separately by the drawee banks and not mixed up with the images of the instruments received for payment in clearing. A common electronic file containing the images of all the paid cheques shall be created on a daily basis for onward transmission to State Government Departments/ Treasuries/ Sub-Treasuries
- f. The branch handling the State Government transactions shall continue to send the Payment Scrolls on a daily basis in the prescribed form or as per the arrangement amongst the Sub-Treasury / Treasury to whom they are attached as hitherto. However, as the paid cheques would no longer be available with the accredited branch, the same will not be attached with the payment scroll, but the electronic images of paid cheques (by way of cash, clearing and transfer), preserved by the presenting bank, shall be provided to the Office of AG/State Government Departments/Treasuries/Sub-Treasuries by way of secured electronic communication/ e-mail, etc., as per their requirement.
- g. At any time during the preservation period of cheques, for the purpose of reconciliation, enquiry, investigation, etc., the Office of AG/State Government Departments/Treasuries/Sub-Treasuries may require any paid cheque in physical form for which the concerned State Government Department/Treasury/Sub-Treasury would approach the dealing branch. Whenever so demanded, the dealing branch shall arrange to furnish the cheques paid by it by way of cash and transfer immediately. In case of cheques paid by way of clearing, the same shall be supplied to the Office of AG/State Government Departments/Treasuries/Sub-Treasuries within a reasonable period after obtaining it from the presenting bank. It is the responsibility of the presenting bank in such instances to comply with the request of the Office of AG/State Government Departments/Treasuries/Sub-Treasuries / Drawee bank for any physical cheque and provide the same to the respective Drawee bank within a reasonable period.
- h. At present, the CTS are operated on grid basis. Hence, the government cheques drawn on RBI / agency banks shall be presented in the grid within whose jurisdiction the accredited/authorized branch of paying bank is located.

- i. As hitherto, the Drawee bank shall ensure through the dealing branch that the mistakes/ discrepancies pointed out in payment scrolls, monthly DMS etc., are rectified as per procedure, missing images of paid cheques are submitted immediately, the copies of the scrolls duly verified by the Sub- Treasury/Treasury are kept on its record, etc.
- j. The revised guidelines are effective in respect of cheques issued by the State Governments from July 01, 2019 and made applicable for those State Governments which give their consent for withdrawal of P2F arrangement. As and when State Governments give their consent, the same will be advised to the banks. In case any State Government desires to have a parallel run, the same may be done for a period not exceeding three months. During the parallel run period, P2F shall continue to remain operational and the Drawee banks should forward both the physical instruments and their images to concerned Treasury/Sub-treasury as desired by them. After completion of the parallel run, P2F shall be discontinued and only images shall be sent as outlined above.

#### **4. Time Frame for Collection of Local /Outstation/Foreign Cheques / Instruments:**

**4.1** For Local Cheques presented in clearing credit will be afforded as on the date of settlement of funds in clearing and the account holder will be allowed to withdraw funds on T+1 or T+2 day as per return clearing norms in vogue at that centre. For cheques and other instruments sent for collection to centres within the country the following time norms shall be applied -

- (a) Cheques / Instruments drawn on one of our branch deposited at another center- Same Day
- (b) Cheques / Instruments drawn on other bank and sent for collection to:
  - i. Centers where our Bank have a branch: Maximum T + 6 days
  - ii. Centers where our Bank do not have a branch:

<b>Centers</b>	<b>Maximum Time Frame ( in Days)</b>
State Capitals	7
Major Cities	10
Other Locations	14

- (c) **Cheques drawn on foreign countries:** Such instruments are accepted for collection on the 'best of efforts' basis. The bank is committed to ensuring that instruments drawn in foreign currencies and payable outside India are collected in the quickest and most efficient manner. Towards this the Bank may enter into specific collection arrangements with its correspondent banks in those countries for speedy collection of such instrument(s). Bank would give credit to the party upon realization credit of proceeds into the bank's NOSTRO Account with the correspondent bank after taking into account cooling periods as applicable to the countries concerned.

#### **5. Immediate Credit of Outstation Cheques / Instruments:**

Branches / extension counters of the bank will consider providing immediate credit for outstation cheques / instruments up to the aggregate value of ₹ 15000/-tendered for collection by individual account holder subject to satisfactory conduct of such account for a period not less than 6 months. Immediate credit will be provided against such collection instruments to the customer

account. The credit given under this facility should not exceed ₹ 15000/- per customer at any given point of time. The facility of immediate credit would also be made available in respect of local cheques at centres where no formal clearing house exists.

The facility of immediate credit will be offered in Savings Bank / Current / Cash Credit / Overdraft Accounts of the customers. For extending this facility there will not be any separate stipulation of minimum balance in the account. Bank shall not decline to accept outstation cheques deposited by its customers for collection.

Under this policy, prepaid instruments like Demand Drafts, Interest / Dividend Warrants of other Banks shall be treated at par with cheques. 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 clean overdraft limits sanctioned for individual customers.

For the purpose of this Policy, a *satisfactorily conducted* account shall be the one, who comply following guidelines -

- a) Opened at least six months earlier and complying with KYC norms;
- b) Conduct of which has been satisfactory and bank has not noticed any irregular dealings;
- c) Where no cheques / instruments, for which immediate credit was afforded, returned unpaid for financial reasons;
- d) Where the bank has not experienced any difficulty in recovery of any amount advanced in the past including cheques returned after giving immediate credit.

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 cheques purchase will not, however be charged.

The facility of immediate credit would not be applicable to cheques collected under Speed Clearing arrangements.

#### **6. Purchase of local/outstation cheques:**

Bank may, at its sole discretion, purchase local / outstation cheque 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 considered while purchasing the cheque.

#### **7. Payment of Interest for delayed Collection of local /Outstation Cheques and Cheques Payable:**

**7.1** As part of the compensation policy of the bank, the bank will pay interest to its customer on the amount of collection instruments in case there is delay in giving credit beyond the time period mentioned above. 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.

## **7.2 Interest for delayed collection shall be paid at the following rates:**

- (a) Saving Bank Rate for the period of delay beyond 3 working days in case of local cheques.
- (b) Savings Bank rate for the period of delay beyond 7 days in collection of outstation cheques payable at CTS Centres and 10 days in non CTS Centres.
- (c) Where the delay is beyond 14 days interest will be paid at the rate applicable to term deposit for the respective period.
- (d) In case of extraordinary delay, i.e. delays exceeding 90 days interest will be paid at the rate of 2% above the corresponding Term Deposit rate.
- (e) In the event the proceeds of cheque under collection was to be credited to an overdraft / loan account of the customer and credit is delayed beyond the time period of three days for local cheque, seven days for outstation cheque payable at CTS centres and ten days for non CTS centres, interest will be paid at the rate applicable to the loan account. For extraordinary delays i.e. delay exceeding 90 days, interest will be paid at the rate of 2% above the rate applicable to the loan account.
- (f) The interest will be paid only when such amount is ₹ 10/- or more.

## **8. Cheques / Instruments lost in transit / in clearing process or at paying bank's branch:**

**8.1** In the event a cheque or an instrument accepted for collection is lost in transit in the clearing process or at the paying bank's branch, the bank shall immediately on coming to know of such 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 that cheques, if any, issued by him / her are not dishonoured due to non-credit of the amount of the lost cheques / instruments. The bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.

**8.2** In line with the compensation policy of the bank, the bank will compensate the account holder in respect of instruments lost in transit in the following manner -

- a) In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (3/7/10 days as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified above in para 6.2 of the policy.
- b) In addition, bank will pay interest on the amount of the cheque for a further period of 15 days at Savings Bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- c) The bank would also compensate the customer for any reasonable charges 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.

## **9. Charging of Interest on cheques returned unpaid where instant Credit was given:**

**9.1** 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. Interest where applicable would be charged on the notional overdrawn balances in the account, had credit not been given initially.

**9.2** If the proceeds of the cheque were credited to the Savings Bank Account and was not withdrawn, the amount so credited will not qualify for payment of interest when the cheque is returned unpaid. If proceeds were credited to an overdraft / cash credit / loan account, interest shall be recovered at the rate of 2% above the interest rate applicable to the clean overdraft / loan from the date of credit to the date of reversal of the entry to the extent the bank was out of funds.

## **10. Positive Pay System (PPS)**

**10.1** Following the Reserve Bank of India Notification no. RBI: 2020-21:41 DPSS.CO.RPPD.No.309:04.07.005:2020-21 dated September 25, 2020 to eliminate / combat cheque related frauds by reconfirming key details of large value cheques, Centralised Positive Pay System (CPPS) for cheques of ₹.50,000/- and above for CTS has been implemented, effective from 01st January, 2021.

**10.2** Further, to augment customer safety in cheque payments and reduce instances of fraud occurring on account of tampering of cheque leaves, Bank has decided to make Positive Pay System (PPS) as mandatory for cheques of ₹.5,00,000/- and above for CTS w.e.f 01st January, 2022. i.e. if issuer of the cheque does not provide cheque details under PPS for cheque of ₹.5,00,000/- and above for CTS, then his/her cheque shall be returned under reason code "70" with reason "Advice not Received".

Circular letter and Standard Operating Procedure (SOP) regarding details procedure / user guidelines on Positive Pay System (PPS) for Cheque Truncation System (CTS) has been circulated vide BC.2021-22/143 dated December 20, 2021.

## **11. Miscellaneous:**

- (a) Cheques which are deposited with wrong account number mentioned on the Pay-in slip, Bank will return such cheques to the customers on the address mentioned within 48 working hours. However in cases with incomplete address, incomplete phone no., no phone number mentioned on the Pay-in slip, the bank will be responsible to keep these instruments for a maximum period of 3 months.
- (b) Cheques received back unpaid will be returned by post/ courier etc. to the customer within 48 working hours on the address recorded in Bank's database. However, these will be kept in the Bank for returning to the customer over the counter if he/she makes a request for the same. If not collected by the customer within 15 days bank will send them back at the recorded address by post or courier.
- (c) The list of objections for return of Instruments and Image based Cheque Clearing, as detailed in Annexure D of Uniform Regulations and Rules for Bankers' Clearing House of RBI, has been placed as Annexure-I of this document.

- (d) Cheque return charges shall be levied only in cases where the customer is at fault and is responsible for such returns. The list of reasons for return, where the customers are not at fault are indicated in the Annexure-II.
- (e) Cheques that need to be represented 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 presentation through SMS alert, email etc.
- (f) **Dishonour /Return of cheques**: Bank needs to mention the 'Date of Return' & sign/initial the Cheque return Memo and the objection slip is to be signed/ initialled giving therein a definite and valid reason for refusing payment as prescribed in Rule 6 of the Uniform Regulations and Rules for Bankers' Clearing Houses (URRBCH). This will enable the holder of the instrument to have legal recourse against the drawer of the cheque.
- (g) **Collection of Third Party Cheques in clearing**: RBI has prohibited Banks from crediting 'account payee' cheques to the account of any person other than the payee named therein. However, with a view to mitigate the difficulties faced by the members of co-operative credit societies in collection of account payee cheques, RBI permitted banks to collect for such societies account payee cheques drawn for an amount not exceeding ₹ 50,000/- on behalf of their constituents.
- (h) As per RBI direction, no changes/corrections should be carried out on the cheques. For any changes in the payee's name, courtesy amount (amount in figures) or legal amount (amount in words) etc. excepting change in the date for validation period, fresh cheque forms should be used by customers. This will help the bank to identify and control fraudulent alterations. This prohibition is applicable to cheques cleared under the image based Cheques Truncation System(CTS) only and not applicable to cheques cleared through physical exchange of instruments.

## **12. Validity of Cheques / Drafts / Pay orders / Banker's Cheques :**

With effect from April 1, 2012, the validity of Cheques / Drafts / Banker's Cheques is three months only from the date of issue. The validity period is mentioned on the face of Cheque leaves, Drafts / Banker's Cheques printed after 01.04.2012 Instruments should be presented within the validity period of three months from the date of issue.

## **13. Service Charge:**

For all collection services the bank will recover appropriate service charges as decided by the bank from time to time and communicated to customer as indicated in the code of Bank's Commitment to Customers adopted by the bank and by displaying on Bank's website.

## **14. 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 or other labour disturbances, accident, fires, natural disasters or other "Acts of God", war, pandemic, invocation of Disaster Management Act by Central / State/ District / Local government / authorities, damage to the bank's facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc.) beyond the control of the bank prevents it from performing its obligations within the specified service delivery parameters.

## **15. Sunset Clause:**

The above Bank's Model policy on Collection of Cheques / Instruments will be in force until the next review. The policy will be reviewed annually or at an earlier date, as may be required by the Bank.

**MODEL LIST OF OBJECTIONS  
(Both for Instrument and Image-based Cheque Clearing)**

To .....Bank,

The enclosed cheque / refund order / pay order / . . . . is / are returned for the following reason(s)

<b>Code No.</b>	<b>Reason for Return</b>
<b>(01-03)</b>	<b>Funds</b>
01	Funds insufficient
02	Exceeds arrangement
03	Effects not cleared; present again
<b>(04-09)</b>	<b>Refer to Drawer</b>
04	Refer to drawer
05	Kindly contact drawer / drawee bank and please present again
<b>(10-19)</b>	<b>Signature</b>
10	Drawer's signature incomplete
11	Drawer's signature illegible
12	Drawer's signature differs
13	Drawer's signature required
14	Drawer's signature not as per mandate
15	Drawer's signature to operate account not received
16	Drawer's authority to operate account not received
17	Alterations require drawer's authentication
<b>(20-29)</b>	<b>Stop Payment</b>
20	Payment stopped by drawer
21	Payment stopped by attachment order
22	Payment stopped by court order
23	Withdrawal stopped owing to death of account holder
24	Withdrawal stopped owing to lunacy of account holder
25	Withdrawal stopped owing to insolvency of account holder
<b>(30-49)</b>	<b>Instrument</b>
30	Instrument post dated
31	Instrument out-dated / stale
32	Instrument undated / without proper date
33	Instrument mutilated; requires bank's guarantee
34	Cheque irregularly drawn / amount in words and figures differ
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
<b>50-59</b>	<b>Account</b>
50	Account closed

51	Account transferred to another branch
52	No such account
53	Title of account required
54	Title of account wrong / incomplete
55	Account blocked (situation covered in 21-25)
<b>60-69</b>	<b>Crossing / Endorsement</b>
60	Crossed to two banks
61	Crossing stamp not cancelled
62	Clearing stamp not cancelled
63	Instrument specially crossed to another bank
64	Amount in protective crossing incorrect
65	Amount in protective crossing required / illegible
66	Payee's endorsement required
67	Payee's endorsement irregular / requires collecting bank's confirmation
68	Endorsement by mark / thumb impression requires attestation by Magistrate with seal
<b>(70-79)</b>	<b>RBI / Government</b>
70	Advice not received
71	Amount / Name differs on advice
72	Drawee bank's fund with sponsor bank insufficient
73	Payee's separate discharge to bank required
74	Not payable till 1st proximo
75	Pay order / cheque requires counter signature
76	Required information not legible / correct
<b>(80-99)</b>	<b>Miscellaneous</b>
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
85	Alterations on instrument-Other than ' ; Date'; filed (Alteration/correction on instruments are prohibited under Cheque Truncation System. Return reason code applicable to instruments presented in CTS)
86	Fake / Forged / Stolen- draft / cheque / cash order / interest warrant / dividend warrant
87	'Payee's a/c Credited' - Stamp required
88	Other reasons (Please specify)
92	Bank excluded

Cheque No.(s)..... Amount ₹. . . . .  
Date of return: .....

Signature & Stamp of returning bank .....

**Illustrative but not exhaustive list of objections where customers are not at fault  
(Applicable for Instrument and Image-based Cheque Clearing as detailed in Annexure D  
to Uniform Regulations and Rules for Bankers' Clearing Houses)**

<b>Code No.</b>	<b>Reason for Return</b>
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 not 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
70	Advice not received
71	Amount / Name differs on advice
72	Drawee bank's fund with sponsor bank insufficient(applicable to sub-members)
73	Payee's separate discharge to bank required
74	Not payable till 1 <sup>st</sup> proximo
75	Pay order requires counter signature
76	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 excluded