



**POLICY ON  
DEALINGS WITH COLLECTION / DISHONOUR  
OF CHEQUES / INSTRUMENTS**

**Branch Banking Department  
The South Indian Bank Limited**

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## **1. Introduction**

Keeping in view the technological progress in payment and settlement systems and the qualitative changes in operational systems & processes, the Reserve Bank of India had, with effect from 1st November 2004, withdrawn its earlier instructions to commercial banks on (i) Immediate Credit of local/outstation cheques, (ii) Time Frame for Collection of Local / Outstation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 with an aim to enable market forces of competition to come into play thereby improving efficiencies in collection of cheques and other instruments. Vide Master Circular on Customer Service, RBI has also provided the guidelines for dealing with frequent dishonour of Cheques as well as advised Banks to frame appropriate procedure for dealing with dishonoured instruments.

This policy, based on principles of transparency and fairness in the treatment of customers is a reflection of Bank's on-going efforts to provide better service and set higher standards for performance. It also aims to enforce financial discipline among the customers, for operation of accounts with Cheque / debit mandate facility.

This policy document covers the following aspects:

1. Collection of cheques and other instruments payable locally, at centers within India and abroad.
2. Our commitment regarding time norms for collection of instruments.
3. Policy on payment of interest in cases where the bank fails to meet time norms for realization of proceeds of outstation instruments.
4. Our policy on dealing with collection instruments lost in transit.
5. The procedure to be adopted for dealing with frequent dishonour of cheques of value below, equal to and above Rs.1.00 crore and NACH/ direct debit mandates.
6. Procedure for dealing with dishonoured cheques with inherent preventive measures and checks to prevent any scope for collusion of the staff of the bank or any other person, with the drawer of the cheque for causing delay in or withholding the communication of the fact of dishonour of the cheque to the payee/ holder or the return of such dishonoured cheque to him

## **2. Arrangements for Collection**

Collection of cheques or other instruments will be accepted up to the closure of business hours in the collection centers of the bank. Customers can make use of cheque drop box facility at ATMs and other places, wherever available.

## **3. Cheque Truncation System**

CTS-2010 Standard is a set of benchmarks prescribed by RBI towards achieving standardization of cheques issued by banks across the country. These include provision of mandatory minimum security features on cheque forms like quality of paper, watermark, and bank's logo in invisible ink, void pantograph etc. and standardization of field placements on cheques.

In Cheque Truncation System or CTS, physical movement of the cheque is stopped at the collecting bank and only image is transferred to the drawee bank. The drawee bank processes the instrument using the image. In CTS, the payments are made by the drawee bank on the basis of the images. In order to ensure quality of the images transmitted for processing at the drawee bank, certain image specifications are mandated by RBI in the CTS clearing. Images

that do not meet the specifications are rejected. Apart from the process changes, customers may be guided by a special directive by RBI regarding corrections/ alterations on 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. *Instances of fraud, if any; and bank's liability in such cases will be dealt in accordance with provisions of Negotiable Instruments Act 1881.* This will help bank to identify and control fraudulent alterations. From October 2010, Bank has migrated to CTS clearing system and discontinued Non CTS clearing with effect from 31.12.2018.

#### **4. Local Cheques**

All cheques and other Negotiable Instruments payable locally would 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 prescribed for that centre, will be presented for clearing on the same day. 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 same day clearing settlement takes place. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the clearing house.

Bank branches situated at centres where no clearing house exists, would present local cheques on drawee banks across the counter and it would be the bank's endeavor to credit the proceeds at the earliest.

#### **5. Outstation Cheques**

Cheques drawn on other banks at outstation centers other than those covered above, will normally be collected through bank's 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. Cheques drawn on bank's own branches at outstation centers' 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.

#### **6. Cheques payable in Foreign Countries**

Cheques payable at foreign centers' 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/centers where the correspondent has presence. Cheques drawn on foreign banks at centers where the bank or its correspondents 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 one of the correspondent banks.

#### **7. Purchase of local/outstation cheques**

Bank may, at its 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.

#### **8. Immediate Credit of Local/ Outstation Cheques/ Instrument**

*Branches of the bank may, at the specific request of customer or as per prior arrangement, consider providing immediate credit for outstation cheques / instruments tendered for collection by individual account holders [satisfactorily conducted Savings Bank / Current / Cash Credit Accounts] subject to approval from respective Regional Offices. The limit up to which immediate credit may be allowed will be in accordance with Bank's Master Circular on Sanctioning Powers & Guidelines for exercising Powers.*

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

For extending this facility there will not be any separate stipulation of minimum balance in the account. Under this policy, prepaid instruments like Demand Drafts, Interest / Dividend warrants shall be treated on par with cheques. 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. The facility of immediate credit would not be applicable to cheques collected under speed clearing arrangements.

#### **9. Time Frame for Collection of Local / Outstation Cheques / Instruments**

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 as per return clearing norms in vogue at that Centre. In CBS environment, cheques can be collected at any location without sending the physical instrument to the drawee branch. This is applicable irrespective of the fact that the cheque is payable at par at all the branches or not. Bank will also process the NACH/ Direct Debit mandates received by us.

The presently used Cheque Truncation System (CTS) involves the stoppage of the physical movement of the cheque and the replacement of physical instrument by the image/s of the instrument and the corresponding data contained in MICR line. The Negotiable Instrument Act defines a truncated cheque to mean "a cheque which is truncated during the course of a clearing cycle, either by the Clearing House or by the bank, whether paying or receiving payment, immediately on generation of an electronic image for transmission, substituting the further physical movement of the cheque in writing" (Section 6 of the amended NI Act, 1881). In the Clearing by CTS, as the payment processing is done on the basis of images, the onus of due diligence shifts to the Presenting Bank, as provided in the explanation II to the Section 131 of amended Negotiable Instruments Act. The presenting bank takes full responsibility for collecting on behalf of the intended payee and exercises due diligence as per the conditions laid down in the amended Negotiable Instruments Act.

The Instruments shall be preserved for ready retrieval, whenever required at a later date, by bundling together. The physical instruments must be stored for the required statutory period as laid by law in force from, time to time. Cheques drawn on outstation CBS branches of a drawee bank can be processed at the notified Speed Clearing centres provided the drawee bank has a branch at the specified centre. As on date, the local cheques are processed on T+1 working day basis and customers get the benefit of withdrawal of funds on a T+1 or T+ 2 basis, depending on the clearing norms. 'T' denotes transaction day viz. date of presentation of cheque at the Clearing House.

For the speedy realization of instruments lodged for collection, branches falling outside the notified centres may send instruments to the nearest Speed Clearing Centre branch for clearance after ensuring that the drawee bank has presence in that centre.

For cheques and other instruments sent for collection to centres within the country the following time norms shall be applied:

- a. Cheques presented in CTS Clearing: Maximum period of 3 days (i.e. T+2)
- b. Cheques drawn on foreign countries: Such instruments are accepted for collection on the 'best of efforts' basis.

Bank may enter into specific collection arrangement with its correspondent bank for speedy collection of such instrument. Bank would give credit to the party on credit of proceeds to the bank's Nostro Account with the correspondent bank after taking into account cooling periods, (21 days in general) as applicable to the countries concerned.

The above time norms are applicable irrespective of whether cheques / instruments are drawn on the bank's own branches or branches of other banks.

#### **10. Payment of Interest for delayed Collection of Local Cheques, Outstation Cheques and Cheques payable outside India**

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.

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

Savings Bank rate for the period of delay beyond 7/10/14 days [for outstation cheques drawn on state capital / major cities / other locations] as the case may be in collection of outstation cheques.

- a. Where the delay is beyond 14 days interest will be paid at the rate applicable to for term deposit for the respective period.
- b. 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.

- c. 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, interest will be paid at the rate of 2% above the rate applicable to the loan account.

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

In the event a cheque or an instrument accepted for collection is lost in transit or in the clearing process or at the paying bank's branch, the bank shall immediately on coming to know of 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. Account holder to take care that cheque, 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 account holder to obtain a duplicate instrument from the drawer of the cheque.

In line with the compensation policy, the bank will compensate the account holder in respect of instruments lost in transit in the following way:

- a. 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 under Para 4 above.
- 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.
- d. In case a cheque is lost by the bank, the charges for recording stop payment order will be borne by the bank.
- e. In case a discounted cheque is lost by the bank, the bank will not charge the customer any overdue interest for the period of delay.

#### **12. Charging of interest on cheques returned unpaid where instant credit was given**

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. The customer will not be charged any interest from the date of immediate credit to the date of return of the instrument, unless the bank had remained out of funds, on account of withdrawal of funds. Interest where applicable, would be charged on the notional overdrawn balances in the account, had credit not been given initially.

If the proceeds of the cheque were credited to the Savings Bank Account and were not withdrawn, the amount so credited will not qualify for payment of interest, if the cheque is returned unpaid.

In the event of dishonour of cheque against which immediate credit was provided to a Savings Bank / Current Account, interest shall be recoverable from the customer for the period the bank remained out of funds, to the extent the bank was out of funds. The rate of interest will be that of maximum commercial rate of interest, plus penal interest, if any, applicable for clean overdraft limits sanctioned for individual customers. If the 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, to the extent the bank was out of funds.

### **13. Collection of Account Payee Cheque - Prohibition on Crediting Proceeds to Third Party Account**

- a. In consonance with the legal requirements and in particular, the intent of the Negotiable Instruments Act, 1881 and with a view to protect the banks being burdened with liabilities arising out of unauthorized collections, and in the interest of the integrity and soundness of the payment and banking systems, and in order to prevent recurrence of deviations observed in the recent past, the Reserve Bank has considered it necessary to prohibit the banks from crediting 'account payee' cheque to the account of any person other than the payee named therein. Accordingly, banks were directed that they should not collect account payee cheques for any person other than the payee constituent.
- b. Where the drawer / payee instructs the bank to credit the proceeds of collection to any account other than that of the payee, the instruction being contrary to the intended inherent character of the 'account payee' cheque, bank should ask the drawer / payee to have the cheque or the account payee mandate thereon withdrawn by the drawer. This instruction would also apply with respect to the cheque drawn by a bank payable to another bank.
- c. 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 the member bank (referred to as the sponsor member) of the Clearing House. Under such arrangements, there should be clear undertaking to the effect that the proceeds of the account payee cheque will be credited to the payee's account only, upon realization.
- d. With a view to mitigate the difficulties faced by the members of co-operative credit societies in collection of account payee cheques, it is further clarified that collecting banks may consider collecting account payee cheques drawn for an amount not exceeding 50,000/- 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, banks should have a clear representation in writing given by the co-operative credit societies concerned that, upon realization, the proceeds of the cheques will be credited only to the account of the member of the co-operative credit society who is the payee named in the cheque. This shall, however, be subject to the fulfilment of the requirements of the provisions of Negotiable Instruments Act, 1881, including Section 131 thereof.



#### 14. Positive Pay System for CTS

The concept of Positive Pay involves a process of reconfirming key details of large value cheques. Under the process, the issuer of cheque submits electronically, through channels like SMS, Mobile App, Internet Banking, ATM etc. certain minimum details of the cheque to the drawee bank, details of which are cross checked with presented cheque by CTS. Any discrepancy is flagged by CTS to drawee and presenting banks, who would take redressal measures.

With effect from 1<sup>st</sup> January, 2021, the facility is enabled for anyone issuing instruments above Rs.50,000/- . Only those cheques, which are compliant with above instructions will be accepted under dispute resolution mechanism under CTS grids. All PPS registered instruments will be processed as per the prevailing system enumerated in the amended NI Act.

#### 15. Reasons for return of the instrument / mandate

- a. A cheque may be returned for various reasons viz. the cheque is undated, Post- dated or stale or it may contain unauthorized alterations, extraneous matter, etc. Incorrect signature of drawers, mutilation, withdrawals against un-cleared effects, countermand issued by the drawer, receipt of notice of customer's death, lunacy, insolvency, service of Garnishee / Prohibitory / Attachment orders, irregular endorsements, absence of clearing stamp etc.
- b. The cheques/ NACH / Direct Debit mandates would be returned for want of funds also. The dishonouring of a cheque/ NACH / Direct Debit mandates for want of funds will affect the customer's credibility and if subsequently proved to be unwarranted may render the bank liable for damages.
- c. Bank would take sufficient care to verify the balance in the accounts through funds book before returning the cheques for funds reason, where, the location is covered under Service Branch. Bank has also put in place the mechanism of verifying the balance available in the account at the time of honoring the cheques sent for clearing under Speed/CTS clearing.
- d. In view of the following it would be the endeavor of the branches to phase out the undesirable and un-remunerative accounts so that no misuse of cheque facility is allowed.
- e. It is very unsatisfactory for a banker to return cheques for financial reasons.
- f. Apart from reflection on the status of the account holder, it also affects the image of the bank.
- g. The practice of acceptance of cheques as a means of payment, without reservation is retarded by return of cheques due to insufficiency of funds and other reasons, if any.

Cheque return charges shall be levied only in cases where the customer is at fault and is responsible for such returns. An illustrative list of returns where the customers are not at fault, are furnished below:

list of objections where customers are not at fault [Code No ]	Reason for Return
33	Instrument mutilated; requires ban'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 1st 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 account credited' – Stamp required
92	Bank excluded

## 16. Intimation to the customers

Customers will be informed of the dishonour of instruments by telephone or directly on their visit to the branch. After recovering charges, the instruments will be handed over to the customer or will be sent by registered post / courier immediately, but not later than seven days after return. The dishonoured instruments are required to be returned / dispatched to the customer promptly without delay, in any case within 24 hours of dishonour.

## 17. Return of dishonoured cheques

In case of want of funds, the cheque would be returned with reasons according to circumstances viz.

1. Insufficient Funds,
2. Amount in words and figures differs,
3. Exceeds arrangement,
4. Wrongly delivered/not drawn on us, etc.

- a. When a cheque is returned, full details of the cheque, the objection under which a cheque is returned and the date of such return will be noted in the cheque return register. Cheques dishonoured in respect of all accounts would be returned along with a Cheque return memo indicating therein the reason for dishonour along with the signature/initial of the bank officials as prescribed in Rule 6 of the Uniform Regulations and Rules for Bankers' Clearing Houses (URRBCH).
- b. In case the cheques are returned in clearing like Cheque Truncation System (CTS)/ MICR/Non-MICR etc., the cheque return memo will be generated in the system. In case of manual presentation across the counter is returned, return memo will be prepared manually.
- c. The particulars of the returned cheque and the reason for the return would be entered in the Cheques Returned Register for verification by the authorized officials.
- d. If the cheque is returned to the person who presented it for payment across the counter, his/her signature is being obtained in the register acknowledging receipt of the unpaid cheque.
- e. Cheque return charges would be levied only in cases where customer is at fault and is responsible for such returns.

#### **18. Procedure for return/dispatch of dishonoured cheques**

- a. As a paying bank, branches will return the dishonoured cheques presented through clearing houses, strictly as per the return discipline prescribed for the respective clearing house, in terms of Uniform Regulations and Rules for Banker's Clearing Houses.
- b. As a collecting bank, branches on receipt of such dishonoured cheques will dispatch it immediately to the payees/holders. Bank will dispatch the returned instruments immediately to the current address of the customer available in the system.
- c. In relation to cheques presented directly at the paying branch for settlement of transaction by way of transfer between two accounts have to be returned and the same will be delivered to the payees/ holders immediately against their acknowledgement.
- d. Cheques dishonoured will be returned along with a memo indicating therein the reason for dishonour as "insufficient funds", etc.
- e. Bank would not detain any return cheque, even for a day regardless of our business connection with the drawers of these cheques.

#### **19. Procedure for Dealing with incidence of frequent dishonour**

##### **Dishonour of cheques valuing Rs. 1.00 crore and above**

- a. In the event of dishonour of cheque / NACH / Direct Debit mandates 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 will be issued unless exemption is granted by competent authority for specific instances on account of unforeseen natural disasters, epidemic etc.
- b. The Bank may also consider closing such accounts at its discretion. 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 will be reviewed by appropriate authority higher than the sanctioning authority.

- c. For the purposes of introduction of the condition mentioned above in relation to operation of the existing accounts, Bank has indicated the new condition in the cheque books issued to the customer.
- d. If a cheque/ NACH / Direct Debit mandates of value Rs.1 crore and above is dishonoured for a third time in case on a particular account of the drawer during a financial year, branch will issue cautionary advice to the concerned constituent drawing his attention to aforesaid condition and consequential stoppage of cheque facility in the event of such cheque being dishonoured on a fourth occasion.
- e. If considered appropriate, Bank can give adequate notice of 15 days and close the account by recovering charges / dues if any and remitting the remaining balance by pay order / draft to the address on record of the Bank by Registered Post.

**Dishonour of cheques/ NACH / Direct Debit mandates valuing less than Rs. 1.00 crore**

- a. In the event of dishonour of cheque / NACH / Direct Debit mandates valuing less than Rs.1.00 crore, drawn on a particular account of the drawer on 3 occasions during a quarter for want of sufficient funds in the account, no fresh cheque book would be issued unless exemption is granted by competent authority for specific instances on account of unforeseen natural disasters, epidemic etc.
- b. Bank may also consider closing the 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 related to these accounts will be reviewed by appropriate authority higher than the sanctioning authority.
- c. For the purposes of introduction of the condition mentioned at (i) above in relation to operation of the existing accounts, Bank will indicate the new condition in the cheque books issued to the customer.
- d. On reaching 3 incidents of dishonour of cheques / NACH / Direct Debit mandates during the quarter, cautionary advice would be issued stating that any more instances would disentitle the customer from availing facility of cheque-book / NACH / Direct Debit mandates.
- e. If considered appropriate, Bank can give adequate notice of 15 days and close the account by recovering charges/dues if any and remitting the remaining balance by pay order/draft to the address on record of the Bank by Registered Post.

**20. Procedure for closing un-remunerative /undesirable account**

- a. Holders of accounts in which the balance quite often falls below the stipulated minimum will be contacted and the need for maintaining the minimum balances in the accounts will be impressed upon them. If there is persistent default in respect of any account, a letter will be sent, expressing our intention to close the account without further notice, if the stipulated minimum balance is not maintained within a fortnight. Further, if the account is not brought in order within a reasonable period of 30 days, the account will be closed and the balance, if any will be remitted to the party by means of a Demand Draft by registered post with acknowledgement due along with a covering letter.
- b. However, in case of constituents, who give other remunerative business or whose connections are for any other reasons worth retaining, action will be taken for closure of

the account after such account holders are impressed upon the need for maintaining minimum balance. Bank will periodically review to assess the continuous availability of other benefits/connections.

- c. Bank will monitor the account in which cheques/ NACH / Direct Debit mandates are returned for want of funds. Service charges are stipulated will be levied, to check such tendency of habitually drawing cheques/ NACH / Direct Debit mandates without providing sufficient funds.
- d. Bank will contact the customers in such cases and impress upon them, the necessity of drawing cheques/ NACH / Direct Debit mandates only against sufficient balance. If the efforts are in vain, the accounts will be closed by observing the due procedure. Bank will not take unilateral decision to close the deposit accounts without giving proper notice or reason to the customer.

## **21. Information on dishonoured cheques / NACH / Direct Debit mandates to controlling offices**

- a. Data in respect of each dishonoured cheque/ NACH / Direct Debit mandates for amount of Rs.1.00 crore and above will be extracted from CBS & made part of bank's MIS on constituents.
- b. Data in respect of dishonoured cheques drawn in favour of stock exchanges will 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 their respective Regional Office on a monthly basis. Regional Office in turn will consolidate and submit this information to Head Office, Customer Relations Department on a quarterly basis.

## **22. General**

- a. *Cheque books shall be issued at the discretion of bank considering factors such as category of accounts, KYC compliance, previous transactions, cheque return, and unused cheques available in the account etc. These shall not be issued to minors unless the accounts are operated by guardians.*
- b. For the purpose of adducing evidence to prove the fact of dishonour of cheque on behalf of a complainant (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 will extend full co-operation and furnish documentary proof of fact of dishonour of cheques.
- c. *A report on quarterly basis in respect to such instances will be submitted by Regional offices to Retail Banking Department & the same will be placed before the Standing Committee of Customer Service of Executives for review.*
- d. Bank retains the right to amend / modify the policy from time to time. Display of the same on notice board of branches / on the web site would be deemed to be adequate notice to customers of the said changes.

**23. 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 Banks Commitment to Customers adopted by the bank.

**24. 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, accident, fires, natural disasters, pandemic or other “Acts of God”, war, 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.

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