



APRB POLICY ON MULTI CITY CHEQUES (Issuance, Collection & Dishonour)

Review Date:

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POLICY ON MULTI CITY CHEQUES

(Issuance, Collection & Dishonour)

1. Introduction

Reserve Bank of India has laid down CTS 2010 Standards for issuance of Cheques. With the advent of Core Banking Solution, the Cheques have been made payable at all the branches of the Bank. "Accordingly, MCC payable at Par, CTS-2010 Standard Compliant Cheques are being issued by the Bank". The payee can present the cheque for the amount which is within the ceiling printed on the face of the Cheque, directly at any of our branches or in clearing. Only MCC CTS 2010 standard cheques are issued now and no other variant can be used.

RBI vide Master Circular DBR No.Leg.BC.21/09.07.2006/2015-16 dated 01st July, 2015 (point no 14 page no 53) under Collection of Instruments, directed the Bank to formulate a comprehensive and transparent policy taking into account their technological capabilities, system and processes adopted for clearing arrangements and other internal arrangements for collection through correspondents. This covers three aspects: Immediate Credit for local / outstation cheques, Time frame for Collection of Local / Outstation Instruments, Interest payment for delayed collection. IBA has also issued model policy on Collection of cheques/instruments. Accordingly, Cheque Collection Policy was put in place. The Policy takes adequate care to ensure that the interest of small depositors is fully protected.

Frequent Dishonour of Cheque or failure of NACH (National Automated Clearing House)/ECS (Electronic Clearing System) is another important aspect of banking transaction.

a) RBI had, vide their Notification no.DBOD.NO.Leg.BC.59/ 09.07.005/ 2009-10

dated 9th November 2009, advised that frequent instances of dishonour of cheque of value less than ₹.1 crore is a matter of great concern and that banks need to take appropriate action in those accounts where such instances of dishonour of cheques occur.

b) RBI had also advised, vide their Master Circular DBR NO.Leg.BC.21/09.07.006/2015-16 dated 01st July, 2015, guidelines for dealing with incidents of frequent dishonour of cheques of ₹. 1 Crore and above. RBI has provided discretion to the banks to have their own approach to deal with recalcitrant customers as per their Board approved policy for dealing with incidents of frequent dishonour of cheques and failed NACH/ECS mandate.

c) RBI has, vide notification no. DBR.No.Leg.BC.3/09.07.005/ 2016-17 dated 04th August, 2016, left it to the discretion of the banks to determine their response to dishonour of cheques of the account holders, steps to prevent misuse of the cheque drawing facility and also to avoid penalizing customers for unintended dishonour of cheques.

2. Background:-

We are the member of CTS through YES Bank as sub-member. The Board approval of the same was taken in the Board meeting held in the year 2019.

3. Policy on Multi City Cheques (MCC):

MCC is a cheque drawn by a customer in favour of a person/entity named therein and is payable at par at all branches of APRB, subject to detailed terms and conditions as under:

- a) The payee can present the cheque directly at any of our branches or in clearing through his bank.
- b) In case of a Multi City Cheque, the term drawee would connote any branch of APRB

c) MCCs may be issued "bearer" or "order"

Eligibility criteria for issuance of MCCs:

All branches are authorized to issue MCC. All customers having Cheque operated accounts, with valid registered mobile number are eligible for getting MCC. Cheque book issue request should be accepted only in fully KYC compliant accounts.

Upper Limit of MCCs: There will be no limit on amount of MCC for payment at home branch. However, for payment at Non-Home branches, cap on amount is applicable, which is printed on the MCC as under:

"Valid upto ₹10.00 lakh at Non-Home branch"

For transfer transactions at Non-Home Branch, the maximum limits are as under:

a) Savings Bank Accounts (instrument type 31):

- i) Savings Bank other than HNI/NRI : ₹10 lakh.
- ii) HNI Savings Bank : ₹10 lakh.

b) Current Accounts (Instrument type 29) : ₹10 lakh.

c) Cash Credit (Instrument type 30) : ₹10 lakh.

Cash Payment at Non-Home Branch: Maximum limit

a) **AGR segment:** ₹10 lakh/- for self (KCC Cheques only)

Issuance of MCC: ORDER/ BEARER (based on Account holder's Risk perception)

a) Issue of Order MCC:

- i. In Savings Bank accounts, (HNIs, Trusts, Societies & other eligible organisations etc.) "Order" MCC will be issued by default.
- ii. In all Cash Credit & Current Accounts, only "Order" MCC will be issued.

Charges for Issuance of MCC:

As per prevailing charges revised from time to time.

First 30 leaves : Free
After 30 leaves : Rs.3+GST per leaf

Number of cheque leaves:

a) Savings Bank Account

i. Personal Segment Customers : 30 leaves

ii. SME Segment Customers : 30 leaves

b) **Current Account** : 30 leaves

c) **Cash Credit** : 30 leaves

d) Branches will ensure that proper VPIS must be maintained for issuance of MCCs.

Printing & Issuance of Multi City CTS-2010 Standard Cheques:

a) Printing of MCCs will be in full conformity with CTS- 2010 Standards.

b) MCCs are printed at Head Office only.

c) Our Multi City Cheques (CTS 2010) have '12' security features as under:

- Mandatory Standard Cheque Security Features as per CTS 2010 Guidelines (9 in number)
 - i) CTS India Watermark paper
 - ii) VOID Pantograph
 - iii) Bank's Logo in UV Ink
 - iv) Micro Lettering
 - v) Cheque Colours & Background Mandatory CTS Standards
 - vi) New Rupee symbol
 - vii) Standardized Field Placements
 - viii) Account Number Field
 - ix) Printer Name along with CTS 2010
- Additional Security features adopted by our Bank (3 in number)
 - x) Barcode of Account Number printed on the front page.
 - xi) UV Band in variable fields (Payee's Name, Amount in Words, Amount in figure and Account Number)

To minimize cheque related fraud, a new security feature of UV Band in variable field (Payee's Name, Amount in words, Amount in figure and Account number) is incorporated, so that any alteration made in these areas would be visible when cheque is verified under UV lamp. All new MCC cheque books printed by security printers will contain this feature along with existing security features.

Dispatching cheque books:

MCC Cheque books will be dispatched to customers on their last recorded address or the address mentioned while making requisition.

Exception report will be generated at the Branch and it will be dealt with critically.

Cheque Books received back undelivered:

a) Cheque Books returned undelivered are received back at Home Branch. These will be

blocked, marked "STOPPED" in CBS.

- b) It will be the responsibility of the Home Branch to keep safe custody of undelivered Cheque Books and to mark "STOP" in the system. Home Branch will make entry in undelivered Cheque Book register immediately on receipt of such undelivered Cheque Book and will keep it in Joint Custody.
- c) The Branch will arrange to contact account holder over his/ her Mobile number registered in CBS and record the same in the Register. Branch should also initiate the process for up dation of address, backed by relevant documents.
- d) On delivery of Cheque Book to the customer after proper identification, STOP will be removed by the branch in CBS. Re-delivery / activation of such cheque book in such cases is subject to Maker-Checker.
- e) If Cheque Book is not delivered to customer within 2 months from the date of issuance, the Branch will arrange to destroy the undelivered Cheque Book in the presence of Joint Custodians duly recorded in the Register maintained for the purpose.
- f) Cheque books returned undelivered and destroyed by the branch will be permanently deactivated in CBS thereby ensuring against any inadvertent error or surreptitious removal of STOP, leading to fraudulent payment of such cheques.

4. Payment of Cheques

Preliminary scrutiny of the cheques before payment:

- a) Bank's logo and name be checked under UV lamp.
- b) Cheque is within validity period.
- c) Amount in words and figures is same.
- d) Cheque leaf is from the cheque series issued to the customer concerned.
- e) Drawer's signature is available on the face of the cheque and tallies with the specimen signature recorded with the Bank.
- f) The instrument is duly discharged by the customer.
- g) All cheques above ₹ 50000/- be subjected to ultra violet lamp test to ascertain

the genuineness of the instrument. A stamp confirming such verification "UV Lamp verified" should be affixed on back of the cheque.

- h) Customer to be contacted over phone/mobile number registered with the Bank before making payment of cheque for amount of ₹ 2.00 lakh and above. Circles may fix lower limit based on Fraud History for Tele calling.
- i) In case of payment of Non-Home cheques of ₹ 5.00 lakh and above or any suspicious transactions irrespective of the amount involved, the drawer is to be contacted over registered mobile number to ascertain genuineness of the instrument/transaction.
- j) All cheques with reasons to any doubt on genuineness should be subjected to ultra violet lamp test, irrespective of amount.
- k) Physical verification of cheque is to be carried out in a meticulous manner, so as to avoid payment of cloned cheques.
- l) Discrete enquiries are to be made from the presenter of the cheque for payment over the counter.
- m) In case of Multi City Cheque presented at non-home branches, amount of the cheque should be within value cap mentioned on the cheque.
- n) All high value instruments must be referred to the Branch Head/ CCPC Head and in case of suspicion, the drawer branch/ customer drawing the cheque should be referred before releasing payment.
- o) Branches to ensure seeding of correct and updated Mobile number/Email in the accounts to receive SMS/Email alerts and calls from Bank, to ascertain genuineness of the instrument/transaction.

Payment of MCC with risk mitigation system:

- a) The payment of MCC at home branch / CCPC will have no restriction with regard to limit on amount printed on the Cheques.
- b) The payment of MCC at non-home branch (other than CCPC) will be restricted as per the limit of the Cheque (as per legend mentioned on the Cheque as narrated herein above).

- c) The functionality in CBS is available, to ensure that the payment of MCC at non-home branches is made as per the value cap mentioned on the cheque.
- d)** Passing for payment of high value cheques of ₹50 lakh and above will be physically authorised by two officials.
- e) In the event of any instance of compromise of cheque(s) in an account is observed / reported, the remaining cheque(s) in the series issued to the customer will be deactivated by the Branch after receiving specific consent in writing from the customer.

4.2.1 Payment of non-CTS-2010 MCC (Payable at Par)

- a) Customers holding non-CTS cheques if any, are to be contacted for surrender of non-CTS cheque leaves and for issuance of MCCs as per CTS 2010 guidelines.
- b) Non-CTS Cheques should be replaced by requesting for CTS-2010 Standard Cheques through Home Branch.
- c) Non-CTS Cheques (cheques not compliant with CTS-2010 standards) will not be accepted in the CTS clearing system.
- d) Drawee branches need to exercise extra caution while honouring/ making payment of Non-CTS cheques and in case of any doubt, may return them.

POSITIVE PAY SYSTEM (PPS) FOR CHEQUE PAYMENT

- a) Competent authority has approved implementation of RBI directives on Positive Pay System and provision of the facility to all our customers having cheque operated accounts effective from 01.01.2021. The facility is provided to customers through our branches as well as alternate channels like Internet Banking (both CINB & RINB), Mobile Banking, The facility is being implemented for clearing cheques as well as cheque payments over the counter (both cash & transfer).
- b) Concept of Positive Pay involves a process wherein the customer who is issuing cheque informs the drawee bank the details of cheque issued like Cheque number, date of issue, amount, name of payee/beneficiary etc., which are stored in the system. When the said cheque is presented for payment, the details in respect of the cheque stored in the system are cross-checked with the corresponding details on the

presented physical cheque/image of cheque.

- c) RBI has advised that only those cheques which are compliant with above instructions will be accepted under dispute resolution mechanism at the CTS Grids.
- d) As such, no cheque should be returned, if otherwise in order, till the Positive Pay System stabilizes and until further instructions, for the only reason of mismatch with/want of PPS data.

Stop Payment of Cheques:

- a) Branches will accept stop payment instruction from the depositors in respect of Cheques issued by them, provided the cheque in question has not been paid by the Bank. Charges, as applicable, will be recovered.
- b) Account holders can request the Bank in writing to register Stop Payment instructions in respect of cheques issued or lost by them. Stop Cheque payment request can also be made online by customers having mobile banking facility.

Cheques destroyed and cancelled by the Customer:

There may be instances of Cheques written by the customer erroneously and destroyed / cancelled. Information on such cases may be given to the Bank. Such intimation by the customer may be recorded as stop payment and no charges will be levied. This will be made a part of instructions on the cheque book, for guidance of the customers.

5. Cheque Collection Policy:

Bank's Cheque Collection Policy has been formulated as a comprehensive document with transparency, covering various aspects, taking into account our technological capabilities, systems and processes adopted for clearing arrangements and other internal arrangements for collection through different methods. The Policy takes adequate care to ensure that the interest of small depositors is fully protected and is in line with the IBA's model policy on Collection of cheques/instruments. The procedure for collection of domestic cheques / instruments and international instruments have been included herein, which, inter alia, incorporates the following:

- a) Collection of Bank's own cheques (local and outstation).
- b) Collection of cheques drawn on local or outstation branch of other banks.
- c) Time frame for collection of outstation/local cheques drawn on our own branches and branches of other banks.
- d) Penalty for delayed collection for local/outstation cheques in a progressive manner.
- e) Amount of cheque up to which immediate credit is to be provided.

RBI has directed that no changes/corrections should be carried out on the cheques. For any changes in the payee's name, currency amount (amount in figures) or legal amount (amount in words) etc, fresh cheque forms should be used by customers. This will help Banks to identify and control fraudulent alterations. Collecting banks have to ensure that such cheques are not accepted for presentation in CTS. This is not applicable to cheques cleared over the counter collection (for cash payment) or direct collection of cheques outside the Clearing House Arrangement.

Speed Clearing System: - Outstation cheques drawn on banks participating in speed clearing at specified locations will be collected and treated at par with local cheques. All terms and conditions applicable for local clearing instruments will also apply to speed clearing system, except that such cheques will be collected by the collecting bank against realization of service charges specified for the purpose. Speed Clearing System is applicable for CTS-2010 grid based clearing system.

The list of objections for return of Instruments and Image based Cheque Clearing, as detailed in Annexure D to Uniform Regulations and Rules for Bankers' Clearing House, has been placed as Annexure-I of this document.

Cheque return charges shall be levied, at applicable rates, 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 is as per Annexure-II. Charges will not be levied in such cases.

Cheques that need to be re-presented without any reference to the payee shall be presented in the immediate next clearing, not later than 24 hours (excluding holidays). Notification will be sent to the customers for such re-presentation by SMS or e-Mail.

Dishonour /Return of cheques: Branch needs to mention the 'Date of Return' & sign/initial the Cheque Return Memo, 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.

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 mitigating the difficulties faced by members of co-operative credit societies and RRBs, in collection of account payee cheques, RBI has permitted banks to collect account payee cheques for such RRBs drawn for an amount not exceeding ₹.50,000/- on behalf of their constituents.

Time limit for deposit of Cheques:

- a) Cheques deposited at branch counters and Cheques deposited in the drop box within the branch premises, before the specified cut-off time will be sent for clearance on same day, for which the clearance period will be T+1 working day.
- b) Cheques deposited after this cut off time will be sent for clearing on next day, for which clearance period will be T+2 working days.
- c) All drop-boxes shall clearly indicate the timeline as above up to which cheques dropped in the drop boxes would be sent for clearing on the same day.
- d) Cheques deposited after the cut-off time in Branch Drop Box and cheques deposited in drop-boxes outside the branch premises including off-site ATMs, will be presented in the next clearing cycle.
- e) As a policy, Bank would give credit to the customer account on the same day after

day's clearing settlement takes place and will appear in book balance but would not be available for payment. Withdrawal of amount so credited will be permitted as per the cheque return schedule of the clearing house.

- f) The timeline for clearing of local cheques will be extended by two additional days in case of branches having non-Sunday weekly off and also preceding working day in 2nd & 4th weekend also being holiday. It will be extended by one additional day only during 1st, 3rd & 5th week for branches working on Sunday.
- g) Bank branches, situated at centres where no clearing house exists, would present local cheques on drawee banks across the counter and proceeds thereof would be credited at the earliest on realization.
- h) Normal collection charges applicable at the material time will be levied for local cheques not collected through clearing, irrespective of the amount of cheques.

INSTRUMENTS DRAWN ON OUR LOCAL AND OUTSTATION BRANCHES:

- a) Cheques drawn on Bank's own branches, at local or at outstation centres, except Govt. Cheques, Banker's Cheques, RBI cheques, received across the counter or through Drop-Box are not required to be presented in clearing or purchased as DD. These instruments shall be disposed off at their end only, subject to ceiling for non-home payment after due scrutiny. For cheques received at non-home branch and drawn for amount beyond the ceiling printed on the cheque to be sent out on collection as SC. The instruments will be paid by the receiving branches at their end after verifying the genuineness of the instruments and observing all necessary precautions for payment of instruments, who will afford credit directly to the payee's account.
- b) Cheques drawn on any branch of our Bank, locally or outstation, will normally be paid on the same day/next day, depending upon the local situations, barring a few exceptional circumstances, for example – insufficient balance, non-availability of drawing power/limit, uncleared balance, cheque number not matching with the cheque range in the system, same cheque number already paid, difference in signature, any lien/stop/hold restrictions (statutory, regulatory or otherwise) marked on the account.
- c) The facility of immediate credit will be provided by the branch to the satisfactorily

conducted accounts of their customers in respect of instruments drawn on any of our branches.

- d) For the purpose, a satisfactorily conducted account shall be one which has been:
- i) Opened at least six months earlier to the date of depositing cheque for realization and fully complies with KYC documentation requirements.
 - ii) Is not inoperative.
 - iii) Where branch has not noticed any irregular dealings/ suspicious transactions in the last 6 months.
 - iv) Where the branch has not experienced any difficulty in recovery of any amount advanced in the past, including cheques returned unpaid after giving credit.
 - v) Where no adverse features attached to the account/account holders have been brought to the notice of the Bank.
 - vi) Where no cheques/ instruments for which immediate credit was afforded, had been returned unpaid for financial reason.
- e) The facility will be available to all individual deposit account holders, without making a distinction about the type of their accounts, i.e. Savings Bank/Current Account etc. It will also be available at all branches/extension counters of the Bank. This will not be available to non-individual account holders.
- f) The facility of immediate credit would however not be applicable to cheques collected under speed clearing arrangements.

6. INTEREST PAYMENT FOR DELAYED COLLECTION:

As part of the Compensation Policy, 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.

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

- a) Saving Bank rate for the period of delay beyond 7/10/14 days, as the case may be and for collection of outstation cheques drawn on other banks, i.e. the interest will be payable from 8th/11th/15th day.
- b) Where the period of delay is beyond 14 days, interest will be paid at the rate applicable for term deposit for the corresponding period or Saving Bank rate, whichever is higher.
- c) 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.
- d) In the event of the proceeds of cheque under collection 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.

Interest as above shall be payable with a minimum of ₹25/-.

7. CHEQUES / INSTRUMENTS LOST IN TRANSIT / IN CLEARING PROCESS OR AT PAYING BANK'S BRANCH:

In the event of a cheque/instrument accepted for collection being lost in transit or in the clearing process or at the paying bank's branch, the Bank shall immediately, on coming to know about the loss of instrument, bring the same to the notice of the account holder, so that the drawer can be informed to record stop payment. The branch will take care that cheques, if any, issued by the customer are returned with specific remarks and not just dishonoured as a routine due to non-credit of the amount of the lost cheques/instruments. The Bank would also advise the drawee bank all the particulars of lost cheque / instrument for exercising caution

and provide all assistance to the customer in obtaining a duplicate instrument from the drawer of the cheque.

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, the Bank cannot decide on the compensation amount for lost cheque 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/drawee bank 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, the Bank will consider payment of compensation in terms of the APRB Compensation Policy.

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 way:

- a) In the event a cheque or instrument accepted for collection is lost in transit or in clearing process or lost by the service provider (in case of CMP) the Bank shall immediately on coming to know of the loss of instrument, bring the same to the notice of the account holder as brought out under para 8.1 herein above. The bank would provide assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.
- b) In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection as per the Cheque Collection Policy of the Bank (7/10/14 days, as the case may be), interest will be paid for the period beyond the stipulated collection period at the rates specified in para 7.2 & 7.3 above for cheques payable in India.
- i) Bank will pay interest on the amount of the cheque for a further period of 15 days at Savings Bank rate to provide for possible further delay in obtaining duplicate

duplicate cheque /instrument and collection thereof.

- ii) The Bank would also compensate the customer for reasonable charges which 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, subject to a maximum of ₹ 250/-.

8. POLICY FOR DEALING WITH INCIDENTS OF FREQUENT DISHONOUR OF CHEQUES AND FAILED NACH:

Returning time for dishonoured cheques:

The dishonoured instruments are required to be returned / dispatched to the customer by registered post, speed-post, courier promptly without any delay in any case within T+1 working days of the dishonour.

Procedure for return/dispatch of dishonoured cheques:

- a) The collecting branch should return dishonoured cheques presented through clearing houses, strictly as per the return discipline prescribed for respective clearing house in terms of Uniform Regulations and Rules for Bankers' Clearing Houses. The collecting branch on receipt of such dishonoured cheques should dispatch it immediately to the payee/account holder within T+1 working days of receipt of the instruments. The Customer will be informed by automated SMS over registered mobile number about returning of cheque.
- b) In relation to cheques presented directly to the drawee branch across the counter for settlement of transaction by way of transfer between two accounts of the same branch / inter-branch, branch should return such dishonoured cheques to the payees/ holders same day/or next day, in case of dishonour due to insufficiency of fund.
- c) 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".

Dishonour of NACH (Debit) Mandate:

(Section 25 of the Payment and Settlement System Act 2007)

- a) National Automated Clearing House (NACH) is a payment system operated by National Payments Corporation of India (NPCI) on the lines of ECS, where Corporations and Banks are members. The physical mandates are obtained by Corporates/ Sponsor Banks and sent to NPCI through Mandate Management System (MMS). The destination Banks receive the mandates through MMS and authorise the same in their CBS. On the strength of the mandates, the future debits are raised by Sponsor Banks. Acceptance of ECS mandates is now stopped by Banks and only NACH mandates are accepted. As ECS system is migrated to NACH by RBI.
- b) As per Section 25 of the Payment and Settlement Systems Act, 2007, where an electronic funds transfer initiated by a person from an account maintained by him cannot be executed on the ground that the amount of money standing to the credit of that account is insufficient to honour the transfer instruction or that it exceeds the amount arranged to be paid from that account by an agreement made with a bank, there is provision to prosecute such person as per the above Act.
- c) The above Act accords the same rights and remedies to the payee (beneficiary) against dishonour of electronic fund transfer instructions under insufficiency of funds as are available under Section 138 of Negotiable Instruments Act, 1881. Considering the protection available, there is no need to obtain additional cheques, if any, from customers in addition to ACH Debit mandates.
- d) NPCI has further advised that as migration of ECS to NACH has been completed at all locations across India, banks should not accept PDC or Security PDC from its customer and all existing PDCs/Security PDCs may be converted into NACH (Debit) Mandates.
- e) RACPCs/RACCs/SMECCs/SECCs/Branches/ Other BPR outfits who have accepted PDCs/Security PDCs from customers are advised to convert all such PDCs to NACH (Debit) mandates and ensure that they accept only NACH (Debit) mandates and not PDCs from customers in future.

9. Amendment/Modification of the Policy:

The Bank reserves the right to amend/modify this Policy, as and when deemed fit and proper, at its sole discretion. The Policy will be reviewed once in a year or as and when required. Any changes in between two reviews will be approved by the Board. Such changes will be incorporated in next review of policy.

10. Force Majeure:

The Bank shall not be liable to pay to the customers under this Policy if some unforeseen event, including but not limited to civil commotion, sabotage, lockout, strike or other labour disturbances, accident, fire, natural disasters or other "Acts of God", war, damage to the APRB's or its correspondent bank(s) systems, communication channels etc. beyond the control of the APRB, prevents it from performing its obligations within the specified service delivery parameters. Claims, if any in this regard will be dealt with as per Bank's Compensation Policy.

ANNEXURE -I

List of Reasons for dishonour of cheque:

(Applicable for instrument and image -based Cheque Clearing as detailed in Annexure D to Uniform Regulations and Rules for Bankers' Clearing Houses)

Code	Reason for Return
01	Funds insufficient
02	Exceeds arrangement
03	Effects not cleared, present again
04	Refer to drawer
05	Kindly contact Drawer/Drawee Bank and please present again
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	Alteration requires drawer's authentication
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
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 differs
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

Code	Reason for Return
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)
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
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

Annexure II Format of Cheque

UV LOGO

अरुणाचल प्रदेश ग्रामिण बैंक
Arunachal Pradesh Rural Bank
(A. J., Undertaking of Govt. of India, Govt. of A.P., & S.B.)

"Valid for 3 months from the date of issue"

DDMMYY

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