



THE ZOROASTRIAN CO-OPERATIVE BANK LTD  
CORPORATE OFFICE  
AGENDA FOR THE BOARD OF MANAGEMENT MEETING  
Through MD & CEO

*Bohra*  
*30/8/24*

Date: August 30, 2024

Re: Renewal of Policies for the Financial Year 2024 - 2025.

In terms of Reserve Bank of India guidelines, Banks have to review / renew the policies every year.

The Bank is now placing before the Board of Directors the following Policies duly reviewed / renewed for the Financial Year 2024 - 2025.

1. Cheque Collection Policy
2. Dividend Distribution Policy
3. Customer Compensation Policy
4. Grievances Redressal Policy
5. Policy on Collection of Dues & Repossession of Security
6. Safe Deposit Locker Policy
7. Deposit Policy
8. Recovery Policy

The above policies will be placed in the ensuing meeting of the Board of Directors.

The Board of Directors is requested to pass the following Resolution:

**"RESOLVED THAT)** Cheque Collection Policy, Dividend Distribution Policy, Customer Compensation Policy, Grievances Redressal Policy, Policy on Collection of Dues & Repossession of Security, Safe Deposit Locker Policy, Deposit Policy and Recovery Policy for the Financial Year 2024 - 2025 be and is hereby recommended by the Board of Directors."

Submitted for Approval

*F.F. Mistry*  
(Freddy F Mistry)  
Mang. Exe. III (Risk Head)

*P. Balaporia*  
(Parvez Balaporia)  
Deputy General Manager



**THE ZOROASTRIAN CO-OPERATIVE BANK LIMITED**

**CORPORATE OFFICE**

**AGENDA FOR THE BOARD OF MANAGEMENT  
THROUGH THE MANAGING DIRECTOR & CEO**

**Re: Amendment of 8 existing policies for the Financial Year 2024 - 2025.**

In terms of Reserve Bank of India guidelines, Banks are required to update their existing policies periodically. Accordingly, our Bank has devised various policies of which 8 policies as tabled below are now amended upto the Financial year 2024-2025.

Presently, the validity of all 8 policies is extended upto March 31, 2025 alongwith the below tabled amendments / additions which are incorporated in the existing Policies.

	<b>Existing</b>	<b>Replaced / Updated / New</b>	<b>Justification</b>
	<b>CHEQUE COLLECTION POLICY</b>		
1	(Pg. no. 3) <b>Immediate Credit of Local / Outstation Cheques / Instruments :</b> Branches/extension counters of the Bank will consider providing immediate credit for outstation cheques/instruments up to the aggregate value of <b>Rs. 7,500.00</b> tendered for collection by individual account holders subject to satisfactory conduct of such accounts for a period not less than 6 months.	<b>(Replaced)</b> <b>Immediate Credit of Local / Outstation Cheques / Instruments :</b> Branches/extension counters of the Bank will consider providing immediate credit for outstation cheques/instruments up to the aggregate present value of <b>Rs. 15,000/-</b> (enhanced from existing Rs. 7,500/-) tendered for collection by individual account holders subject to satisfactory conduct of such accounts for a period not less than 6 months.	As per RBI FAQ : DBOD.No.Leg.BC. 21/09.07.007/2002-03 dated August 23, 2002

2	<p>(Pg. No. 5)  <b>Time Frame For Collection Of Local/ Outstation Cheques / Instruments.</b>            Cheques presented at any of the four major Metro Centres (New Delhi, Mumbai, Kolkata and Chennai) and payable at any of the other three centres : Maximum period of 7 (working) days.</p> <p>State Capital (other than those of North Eastern States and Sikkim) : Maximum period of 10 (working) days.</p>	<p><b>(Replaced)</b>  <b>Time Frame For Collection Of Local/ Outstation Cheques / Instruments.</b></p> <p>Maximum timeframe for collection of cheques drawn on state capitals/ major cities / other locations are 7/10/14 days respectively.</p>	<p>As per RBI FAQ wrt Collection of Instruments updated as on October 31, 2022.</p>
<p><b>DIVIDEND DISTRIBUTION POLICY</b></p>			
3	<p>(Pg. No. 1)</p> <p><b><u>Financial parameters that shall be considered before recommending dividend in line with RBI circular</u></b>UBD.BPD.(PCB).Cir.No. 4/12.05.001/2012-13 dated 5<sup>th</sup> July 2012.</p> <p>i) Compliance with CRAR norms as prescribed by RBI (9%)</p>	<p><b>(Updated)</b></p> <p><b><u>Financial parameters that shall be considered before recommending dividend in line with RBI circular</u></b>UBD.BPD.(PCB).Cir.No. 4/12.05.001/2012-13 dated 5<sup>th</sup> July 2012.</p> <p>i) Compliance with CRAR norms as prescribed by RBI (shall maintain minimum 12%).</p>	<p>As per RBI Notification UBD.BPD.(PCB). Cir. No. 4/12.05.001/2012-13 dated July 5, 2012.</p>
4	<p>(Pg. No. 3)</p> <p>As per Reserve Bank of India circular RBI/2021-22/23 DOR.ACC.REC.7/21.02.067/2021-22 dated April 22, 2021, Co-operative Banks shall be permitted to pay dividend on equity shares from the profits of the financial year ended March 31, 2021 as per the extant instructions.</p>	<p><b>(Updated)</b></p> <p>That no dividend shall be paid by creating the Dividend Equalisation Fund (DEF) through appropriation of profits, with an intent to utilise these balances to pay dividend in future years, when profits are not sufficient or where the bank has posted a net loss. Payment of dividend from previously accumulated profits or reserves is prohibited and mandated that dividend can only be paid by the banks from net profit of the current year after making all statutory and other provisions and after adjustment for accumulated losses in full.</p>	<p>RBI Guidelines on treatment of Dividend Equalisation Fund (DEF) – Primary Urban Co-op. Banks (UCBs).            RBI Notification : RBI/2024-25/57 DOR.CAP.REC.No. 30/09.18/201/2024-25 dated July 30, 2024.</p>

<b>GRIEVANCES REDRESSAL POLICY</b>			
5	<p>Pg. No. 3  <b>Internal Machinery To Handle Customer Complaints/ Grievances :</b>                       (Additior. To The Existing Provisions)</p>	<p><b>(Additional)</b>   <b>7.1.1 Online Complaint Management</b>                       Our Bank has enabled an online complaint management application to log complaints raised by the customers and also oncase of complaints submitted by them at the branches. The complaint management application is available on (<a href="https://complaints.zoroastrianbank.com/">https://complaints.zoroastrianbank.com/</a>) and on lodging of a complaint, the Ticket number will be generated. The online complaint will be directly escalated to the Nodal Officer for further course of action and resolving the complaint within the prescribed timeframe.</p>	Bank's internal updation
6	<p>Pg. No. 5  <b>Mandatory Display Requirements</b>                      1. Appropriate arrangement for receiving complaints and suggestions-Complaint register and suggestion box are provided at branches.</p>	<p><b>(Updated)</b>                       1. The appropriate arrangement for receiving complaints and suggestions-Complaint register and suggestion box are provided at branches. Additionally, the bank has also enabled an Online Complaint Management application to log complaints at (<a href="https://complaints.zoroastrianbank.com/">https://complaints.zoroastrianbank.com/</a>). Branch Manager and Staff at branches to inform the customers to avail the facility incase of any grievances.</p>	Bank's internal updation
7	<p>Pg. No. 8  <b>Registration of Complaints</b>                      (Addition To The Existing Registrations)</p>	<p><b>(Additional)</b>  <b>(2) Online Complaint Management :</b> Bank has enabled an online complaint management application to enable the customers for easily lodging their complaint directly on (<a href="https://complaints.zoroastrianbank.com/">https://complaints.zoroastrianbank.com/</a>).</p>	Bank's internal updation

8	Pg. No. 9 Some Common Guidelines For Compliant Registration (Addition To The Existing Guidelines)	<b>(Additional)</b> <b>(2)</b> Incase of a customer lodging the complaint on the Bank's Online Management Application, a Ticket Number will be generated.	Bank's internal updation
<b>SAFE DEPOSIT LOCKER / SAFE CUSTODY ARTICLE</b>			
9	Pg. No. 5 <b>Model Locker Agreement</b> 2.1.1 The Bank shall renew the locker agreements with existing locker customers by January 1, 2023.	<b>(Additional)</b> <b>2.1.2</b> However, due to difficulties faced by the customers in executing the new locker agreements by January 1, 2023 and also a need for revision in the Model Agreement drafted by the India Banks Association (IBA) to fully comply with the revised instructions, the deadline for banks was <b>extended in a phased manner to December 31, 2023</b> and ensure that at least 50 per cent and 75 per cent of their existing customers have executed the revised agreements by June 30 and September 30, 2023 respectively. Banks shall report the status of compliance with these instructions on the DAKSH supervisory portal of the Reserve Bank on a monthly basis.	RBI Guidelines on Safe deposit Locker/Safe Custody Article Facility provided by banks. RBI Notification : RBI/2022-23/168 CO.CEPD.PRS.No. S1233/13-01-018/2022-2023 dated January 23, 2023.
<b>DEPOSIT POLICY</b>			
10	Pg. No. 15 <b>IX. Interest Payments</b> <b>(ii) Interest Payments for Term Deposit Accounts :</b> The Bank will treat deposits of Rs.15.00 lakhs and above (per deposit receipt) as bulk deposit for the said purpose. (The definition of bulk deposit may undergo change as per Bank's policy in this regard).	<b>(Updated)</b> The Bank will treat deposits (per deposit receipt) as "Bulk Deposit" applicable to Primary UCBs as follows : i) Single Rupee term deposits of Rupees once crore and above for Scheduled UCBs categorized as Tier 3 and 4 under the revised regulatory framework. ii) Single Rupee term deposits of Rupees fifteen lakh and above for all other UCBs, i.e., other than Scheduled UCBs in Tier 3 and 4. Revised instructions have come into effect from April 1, 2024 onwards.	AS per RBI Publication –Volume XIX-Issue 10- January 2024 wrt Monetary & Credit Information Review. The insutruccion is covering the various aspects of classifying accounts & deposits as inoperative accounts and unclaimed deposits.

		(The definition of bulk deposit may undergo change as per RBI's Monetary & Credit Information Review in this regard).	
11	<p>Pg. No. 20</p> <p><b>Advances Against Deposits :</b></p> <p>The Bank will grant an advance against term deposit at a margin at its discretion irrespective of the amount of the deposit and at an interest spread of <b>1% over and above the applicable term deposit rate</b> irrespective of the amount of advance and type of deposit (cumulative or non-cumulative), except in the case of DRCs, where the interest spread will be 2%. In exceptional cases the competent authorities may be authorized to decide on the margin and interest spread for advance against deposits.</p>	<p><b>(Modified)</b></p> <p>The Bank will grant an advance against term deposit at a margin at its discretion irrespective of the amount of the deposit and at an interest spread of <b>2% over and above the applicable term deposit rate</b> irrespective of the amount of advance and type of deposit (cumulative or non-cumulative), except in the case of DRCs, where the interest spread will be 2%. In exceptional cases the competent authorities may be authorized to decide on the margin and interest spread for advance against deposits.</p>	Bank's internal updation
12	<p>Pg. No. 26</p> <p><b>XXIV. Operations in Accounts</b></p> <p><b>(v) Unclaimed Deposits and Inoperative / Dormat Accounts / Deposits.</b></p>	<p><b>(New)</b></p> <p>a) The classification of an account as inoperative shall be for a particular account of the customer and not with reference to the customer. In case a customer is maintaining multiple accounts/ deposits with a bank, all such accounts/ deposits shall be assessed individually for the purpose of classifying them as inoperative account/ unclaimed deposits, as the case may be.</p>	AS per RBI Notification RBI/ 2023-24/105 DOR.SOG (LEG).REC/64/09.08.024/2023-24 dated January 1, 2024
13	<p>Pg. No. 28</p> <p><b>(v) a) Unclaimed Deposits and Inoperative / Dormat Accounts / Deposits.</b></p> <p>savings as well as current account will be treated as inoperative / dormant if there are no customer induced transactions in the account for over a period of two years.</p>	<p><b>(Updated)</b></p> <p>A savings as well as current account will be treated as inoperative / dormant if there are no customer induced transactions in the account for over a period of two years. This is not applicable for zero balance accounts for beneficiaries of Central/State government schemes and for students who receive scholarship. The banks shall, based on the purpose of opening of the account, segregate such accounts in their CBS, so that the stipulation of 'inoperative account' is not applicable to these accounts.</p>	AS per RBI Notification RBI/ 2023-24/105 DOR.SOG (LEG).REC/64/09.08.024/2023-24 dated January 1, 2024

14	<p>Pg. No. 28</p> <p><b>(v) b) Unclaimed Deposits and Inoperative / Dormat Accounts / Deposits.</b></p> <p>Bank will approach the customers and inform them in writing that there has been no operation in their accounts and ascertain the reasons for the same.</p>	<p><b>(Updated)</b></p> <p>(v) b) The Bank will approach the customers and inform them in writing through letters or emails or SMS (if the email and mobile number are registered with the bank) that there has been no operation in their accounts / deposits in the last one year, as the case may be. The alert messages shall invariably mention that the account would become “inoperative” if no operations are carried out during the next one year and, the account holder would be required to submit KYC documents afresh for reactivating the account in such case.</p>	<p>AS per RBI Notification RBI/ 2023-24/105 DOR.SOG (LEG).REC/64/09.08.024/2023-24 dated January 1, 2024</p>
15	<p>Pg. No. 29</p> <p><b>Unclaimed Deposits and Inoperative / Dormat Accounts / Deposits.</b></p>	<p><b>(New)</b></p> <p>k) The bank shall ensure that amounts lying in inoperative accounts/ unclaimed deposits and reactivated inoperative accounts/unclaimed deposits, are subjected to Concurrent audit.</p>	<p>””</p>
16	<p>Pg. No. 30</p> <p><b>(vi) The Depositor Education and Awareness Funds Scheme, 2014:</b></p>	<p><b>(New)</b></p> <p><b>Unclaimed Deposit Reference Number (UDRN) –</b> It is a unique number generated through Core Banking Solution (CBS) and assigned to each unclaimed account/deposit transferred to DEA Fund of RBI. The number shall be such that the account holder or the bank branch where account is maintained, cannot be identified by any third party.</p>	<p>””</p>
17	<p>Pg. No. 31</p> <p><b>XXIV. Operations in Accounts</b></p> <p>(vii) c) In the case of RTGS/NEFT through Internet Banking, the Bank has stipulated certain limits on the amount of transactions which are periodically revised for Individuals only. Presently the limits are Rs 2 lacs per day for individuals and further revised for Rs 5 lacs per day for Corporates.</p>	<p><b>(Modified)</b></p> <p><b>(viii) C)</b> In the case of RTGS/NEFT through Internet Banking, the Bank has stipulated certain limits on the amount of transactions which are periodically revised. Presently, incase of Individuals, the maximum limit for NEFT and RTGS is Rs. 2.00 lacs and Rs. 3.00 lacs respectively. Incase of Corporates, the limit is Rs. 5.00 lacs per day which can be enhanced to Rs. 10.00 lacs subject to borrower’s request which will be at the discretion of the delegated authority.</p>	<p>Bank’s internal updation</p>

<b>RECOVERY POLICY</b>			
18	<p>Pg. No. 6 V. Basic Guidelines Governing Compromise Settlements : D. Distinction between Willful Defaulters &amp; Non-Willful Defaulters.</p>	<p><b>(New)</b> (e). The penal measures currently applicable to borrowers classified as fraud or willful defaulter as per the Master Directions on Frauds dated July 1, 2016 Master Circular on Wilful defaulters dated July 1, 2015 respectively, shall continue to be applicable in cases where the bank enters into a compromise settlement with such borrowers. Such penal measures entail inter alia that no additional facilities should be granted by any bank/FI to borrowers listed as willful defaulters, and that such companies (including their entrepreneurs/promoters) get debarred from institutional finance for floating new ventures for a period of five years from the date of removal of their name from the list of willful defaulters. In addition, borrowers classified as fraud are debarred from availing bank finance for a period of five years from the date of full payment of the defrauded amount.</p> <p>(f). Compromise settlements where the time for payment of the agreed settlement amount exceeds three months shall be treated as restructuring as defined in terms of the Prudential framework on Resolution of Stressed Assets dated June 7, 2019.</p>	<p>As per RBI FAQ wrt Framework for Compromise Settlements and Technical Write-offs dated June 20, 2023.</p>
19	<p>Pg. No. 20 XV Regular Write Off</p>	<p><b>(New /Addition)</b> <b>Incase of Partial Technical Write-Offs</b>, the prudential requirements in respect of residual exposure, including provisioning and asset classification, shall be with reference to the original exposure. Provided that the amount of provision including the amount representing partial technical write-off shall meet the extant provisioning requirements, as computed on the gross value of the asset.</p>	<p>AS per RBI Notification RBI/ 2023-24/40 DOR.STR.REC. 20/21.04.048/2023-24 dated June 08, 2023</p>





20	Pg. No. 20 XV Regular Write Off	<b>(New)</b> <b>Reporting Mechanism.</b> There shall be a reporting mechanism to the next higher authority, at least on a quarterly basis, with respect to compromise settlements and technical write offs approved by a particular authority. Compromise settlements and technical write-offs approved by the MD & CEO/ Board Level Committee would be reported to the Board.	---
<b>POLICY ON COLLECTION OF DUES &amp; REPOSESSION OF SECURITY</b>			
No Change			
<b>CUSTOMERS COMPENSATION POLICY</b>			
No Change			

If approved, the Board Members are requested to pass the necessary Resolution.

**“RESOLVED THAT** the Bank’s above tabled 8 policies for Financial Year 2024 - 2025 be and is hereby approved by the Board of Directors”.

**Submitted for Approval**

  
**(Freddy F Mistry)**  
Management Executive-III (Risk)

  
**(Parvez Balaporia)**  
Deputy General Manager



**THE ZOROASTRIAN CO-OPERATIVE BANK LTD.**

**CHEQUE COLLECTION POLICY**

**2024-2025**

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## **CHEQUE COLLECTION POLICY**

### **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. The 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 increasing the use of technology in order to provide quick collection services to its customers.

#### **This policy document covers the following aspects:**

- Collection of cheques and other instruments payable locally, at centers within India and abroad.
- The Bank's commitment regarding time norms for collection of instruments.
- The Bank's policy on dealing with collection instruments lost in transit.

### **ARRANGEMENTS FOR COLLECTION**

#### **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 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, the Bank will give credit to the customer's account on the same day the 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 centers 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.

**OUTSTATION CHEQUES:**

Cheques drawn on branches of other banks at outstation centres 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 directly be sent for collection to the drawee bank or collected through a correspondent bank.

The Bank would also use the National Clearing services offered by the Reserve Bank of India at centres where such collection services exist.

For Cheques drawn on Bank's own branches covered under Core Banking System network at outstation centres, the Bank will provide same day credit to its customers.

The Bank would debit the customer's account with applicable service charge as per the tariff schedule notified by the Bank. Courier/postage charges and any out of pocket expenses will be levied on actual basis.

**SPEED CLEARING**

Speed Clearing refers to collection of outstation cheques through the local clearing. It facilitates collection of cheques drawn on outstation core banking enabled branches of banks, if they have a net worked branch locally.

With Speed Clearing, any outstation cheques and other instruments (except demand drafts, pay orders) drawn on CBS enabled branches of member banks are presented in local clearing at Cheque Truncation System centres.

The criteria for instruments to be eligible for speed clearing:

1. Cheque should be in CTS format
2. Drawee branch should be on CBS platform.
3. Drawee bank must participate in local clearing.
4. The Bank participates in outward as well as Inward Speed Clearing.

All outstation cheques drawn on the branches, eligible to be covered under the Speed Clearing Scheme of the Reserve Bank of India would be presented through the Speed Clearing and not be sent as outstation cheques for collection.

**CHEQUES PAYABLE IN FOREIGN COUNTRIES:**

The services of correspondent banks will be utilized in country/centres where the correspondent banks have presence or agency arrangements.

**IMMEDIATE CREDIT OF LOCAL /OUTSTATION CHEQUES/ INSTRUMENTS:**

Branches/extension counters of the Bank will consider providing immediate credit for outstation cheques/instruments up to the aggregate present value of Rs. 15,000/- (enhanced from existing Rs. 7,500/-) tendered for collection by individual account holders subject to satisfactory conduct of such accounts for a period not less than 6 months.

Immediate credit will be provided against such collection instruments at the specific request of the customer or as per prior arrangement.

The facility of immediate credit would also be made available in respect of local cheques at centres where no formal clearing house exists.

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

Under this policy, prepaid instruments like Demand Drafts, Interest/Dividend warrants shall be treated on par with cheques.

In the event of dishonor of cheque against which immediate credit was provided, interest shall be recoverable from the customer for the period and for the amount the customer has availed of the funds, at the rate applicable for overdraft limits sanctioned for individual customers.

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

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

Normal collection charges and out of pocket expenses will be charged while providing immediate credit against outstation instruments tendered for collection together with charges levied by the paying Bank.

**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 return charges levied will be as per Bank's applicable Service charges.

The customer will not be charged any interest from the date immediate credit was given to the date of return of the instrument unless the customer has made use of funds. In case of SOD/Cash Credit account the interest benefit derived would be recovered.

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 when the cheque is returned unpaid.

If proceeds were credited to an overdraft/loan account, interest shall be recovered at the rate of 2% above the interest rate applicable to the overdraft/loan from the date of credit to the date of reversal of the entry if the cheque/instrument was returned unpaid.

A notice regarding the availability of facility should be prominently displayed at each branch.

**PURCHASE OF LOCAL/OUTSTATION CHEQUES:**

Bank may, at its discretion, and as permitted by the regulatory authorities purchase local/outstation cheque tendered for collection at the specific request of the customer or as per prior arrangement.

Besides satisfactory conduct of the account, the standing of the drawer of the cheque will also be a factor considered while purchasing the cheque.

**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.

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

Maximum timeframe for collection of cheques drawn on state capitals / major cities / other locations are 7/10/14 days respectively.

In case of cheques sent for collection through Correspondent Banks, 10 (T-10) working days from the day of lodgement if day of lodgment is considered as T-0.

Cheques drawn on foreign countries: Such instruments are accepted for collection on the 'best of efforts' basis.

The Bank has entered 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 Account with the correspondent bank.

**INTEREST PAYMENT FOR DELAYED COLLECTION:**

In all cases of delay in collection of outstation cheques and other instruments, the Bank will pay interest at saving bank rate for delayed collection of outstation cheques/instruments drawn on outstation branches of other (drawee) banks and sent for collection.

If the proceeds are not realized/credited to the customers' accounts or the unpaid instruments are not returned to customers within the period specified from the date of their lodgment, and if the delay is abnormal (i.e. above 30 days) Bank will pay interest at the rate as applicable for appropriate tenure of fixed deposit for the period of delay beyond the specified period for collection of outstation instruments.



**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

Wherever necessary, the Bank would provide letters/certificates to the customer to obtain a duplicate instrument from the drawer of the cheque.

The bank will compensate the account holder for any reasonable loss suffered by him/her 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 the provisions contained in Customer Compensation Policy.

**POSITIVE PAY SYSTEM :**

As per RBI circular no. RBI/2020-21/41 DPSS.CO.RPPD.No. 309/04.07.005/ 2020-21 dated 25th Sept 2020:

RBI has introduced Positive Pay System (PPS) for Cheque Truncation System (CTS) with effect from January 01, 2021. The concept of Positive Pay involves a process of reconfirming key details of large value cheques. Under this process, the issuer of the cheque submits electronically, through channels like SMS, mobile app, internet banking, ATM, etc., certain minimum details of that cheque (like date, name of the beneficiary / payee, amount, etc.) to the drawee bank, details of which are cross checked with the presented cheque by CTS. Any discrepancy is flagged by CTS to the drawee bank and presenting bank, who would take redressal measures. National Payments Corporation of India (NPCI) shall develop the facility of Positive Pay in CTS and make it available to participant banks. Bank may consider making it mandatory in case of cheques for amount of Rs.5,00,000/- and above. While availing this facility is at the discretion of the account holder only those cheques which are compliant with above instructions will be accepted under dispute resolution mechanism at the CTS grids.