



**The Nasik Merchants
Co-op Bank Ltd.**

**Cheque/Negotiable
Instruments & Bills
Collection Policy
2026-27**

By _____
Accounts Department



Accounts Department

CHEQUE / NEGOTIABLE INSTRUMENTS AND BILLS COLLECTION POLICY: FY 2026-27

I. POLICY APPROVAL.

Resolved in BoD Meeting.	
Date	Resolution No
27/03/2026	32

II. PERIOD OF POLICY.

Period of Policy.
With effective from 01/04/2026 and will be reviewed every year in the month of March.
However, will be modified, changed as & when needed.

III. SIGN OFF.

Shri. Gurappa Savkar Assistant General Manager Chief Accountant	
Shri. Santosh Jadhav Chief Compliance Officer	
Shri. Trigun Kulkarni, Chief Executive Officer	

IV. Distribution.

01	All Branches
02	All HODs at HO

Accounts Department

CHEQUE / NEGOTIABLE INSTRUMENTS AND BILLS COLLECTION POLICY: FY 2026-27

TABLE OF CONTENTS

PARA NO.	PARTICULARS	PAGE NO.
01	PREAMBLE	04
02	OBJECTIVE OF POLICY	04
03	PURPOSE	04
04	BROAD PRINCIPLES	04
05	SCOPE OF POLICY	04
06	COVERAGE	05
07	ARRANGEMENT OF CHEQUES / NEGOTIABLE INSTRUMENTS FOR COLLECTION.	05
08	COLLECTION OF ACCOUNT PAYEE CHEQUE/ COLLECTION OF THIRD PARTY CHEQUE	05
09	COLLECTION ARRANGEMENT AND TIME FRAME OF LOCAL AND OUTSTATION CHEQUE/ NEGOTIABLE INSTRUMENTS DRAWN ON OUR BRANCH	05-06
10	COLLECTION ARRANGEMENT AND TIME FRAME OF LOCAL CHEQUES / OTHER NEGOTIABLE INSTRUMENTS DRAWN ON OTHER BANKS WHERE CLEARING HOUSE IS FUNCTIONING.	06
11	COLLECTION ARRANGEMENT AND TIME FRAME OF LOCAL CHEQUES / OTHER NEGOTIABLE INSTRUMENTS DRAWN ON OTHER BANKS WHERE CLEARING HOUSE IS NOT FUNCTIONING	06
12	COLLECTION ARRANGEMENT AND TIME FRAME FOR OF OUTSTATION CHEQUES / NEGOTIABLE INSTRUMENTS DRAWN ON OTHER BANKS WHERE CLEARING HOUSE IS FUNCTIONING	06
13	COLLECTION ARRANGEMENT AND TIME FRAME FOR OF OUTSTATION CHEQUES / NEGOTIABLE INSTRUMENTS DRAWN ON OTHER BANKS WHERE CLEARING HOUSE IS NOT FUNCTIONING	06-07
14	PAYMENT OF INTEREST FOR DELAYED COLLECTION	07
15	PURCHASE OF LOCAL /OUTSTATION CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS.	07
16	CHEQUES/ NEGOTIABLE INSTRUMENTS/ INSTUMENTS LOST IN TRANSIT / IN CLEARING PROCESS OR AT PAYING BANK'S BRANCH	07
17	VALIDITY OF CHEQUES/ NEGOTIABLE INSTRUMENTS / DRAFTS/ PAY ORDERS/ BRANKER'S CHEQUES AND OTHER NEGOTIABLE INSTUMENTS	07-08
18	SERVICE CHARGES/ FEES ON COLLECTIONS OF CHEQUE	08
19	BILLS FOR COLLECTION	08
20	DISHONOUR OF CHEQUES AND OTHER NEGOTIABLE INSTUMENTS	08-10
21	MIS ON DISHONoured CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS.	10-11
22	DEALING WITH INCIDENT OF FREQUENT DISHONOUR OF CHEQUES / NEGOTIABLE INSTUMENTS OF RS. 1.00 CRORE AND ABOVE	11
23	POSITIVE PAY SYSTEM	11
24	VERIFICATION OF ISSUANCE OF CHEQUES/ NEGOTIABLE INSTUMENTS PRESENTED IN CLEARING	11
25	DELAY IN RE- PRESENTATION OF TECHNICAL RETURN CHEQUES/ NEGOTIABLE INSTRUMENTS AND LEVY OF CHARGES FOR SUCH RETURNS.	11
26	PRESERVATION OF CHEQUES AND NEGOTIABLE INSTRUMENTS.	11-12
27	CUSTOMER GRIEVANCE REDRESSAL	12
28	GENERAL	12
29	VALIDITY & REVIEW OF THE POLICY	12

Accounts Department

CHEQUE / NEGOTIABLE INSTRUMENTS AND BILLS COLLECTION POLICY: FY 2026-27

01. PREAMBLE.

- 01.01. Banks are obliged to develop their own policy relating to the collection of cheques / Negotiable Instruments since qualitative changes took place in the operational systems & processes of payment & settlements due to technological progress.
- 01.02. Efficiencies in the collection of cheques / Negotiable Instruments for making funds to customers on time are the best way of customer service.
- 01.03. This policy of our Bank is a reflection of our ongoing efforts to provide better service to our customers and set higher standards for performance.
- 01.04. The branch Manager shall make the cheque collection policy available if demanded by any customer.

02. OBJECTIVE OF POLICY.

- 02.01. To safeguard the customers' interest.
- 02.02. Avoid possible dispute and time taken in settlement of such disputes.
- 02.03. To stop physical movement of cheques / Negotiable Instruments and replacement of physical instrument by image of instrument.
- 02.04. To make the process cost effective.
- 02.05. To reduce fraudulent cases related to clearing cheques and other Negotiable Instruments.
- 02.06. To make the payment safe & secure.

03. PURPOSE.

- 03.01. The policy's main purpose is to provide a framework for collecting cheques and other Negotiable instruments for the Bank's customers, considering our technological capabilities, systems and processes for adherence to such norms.

04. BROAD PRINCIPLES.

- 04.01. This policy is based on principles of transparency and fairness in the treatment of customers.
- 04.02. The bank is committed to increasing the use of technology to provide quick collection services to its customers.
- 04.03. To improve efficiencies in the collection of cheques / Negotiable Instruments and other instruments.
- 04.04. Banks shall not decline to accept outstation cheques / Negotiable Instruments deposited by its customers for collection.
- 04.05. The bank shall comply with the final order on the 'timeframe for collection of outstation cheques / Negotiable Instruments' passed by the National Consumer Disputes Redressal Commission in case No. 82 of 2006.
- 04.06. The bank accepts liability by way of interest payments due to delays due to non-compliance with the standards set by the bank.
- 04.07. Where necessary, compensation by way of interest payment shall be made without any claim from the customer.

05. SCOPE OF POLICY.

- 05.01. Policy on arrangements/acceptance of Collection of domestic and outstation cheques and other Negotiable Instruments.
- 05.02. Policy on collection of account payee cheque/collection of third party cheque.
- 05.03. Policy on time Frame for Collection of local Cheques and other Negotiable Instruments.
- 05.04. Policy on time Frame for Collection of Outstation Cheques / Negotiable Instruments drawn on State Capitals / major cities / other locations.
- 05.05. Policy on Payment of Interest for Delayed Collection.

Accounts Department

- 05.06. Policy on purchase of cheques and other negotiable instruments.
- 05.07. Policy on dealing with collection instruments lost in transit/in the clearing process or at paying bank's branch.
- 05.08. Policy on Validity period.
- 05.09. Policy on collection of Bills.
- 05.10. Policy on dealing with dishonor of cheques and other Negotiable Instruments.
- 05.11. Policy on preservation of cheques and other Negotiable Instruments.

06. COVERAGE.

The policy is applicable to all Branches of the Bank.

07. ARRANGEMENT OF CHEQUES / NEGOTIABLE INSTRUMENTS FOR COLLECTION.

- 07.01. Customer can deposit cheques / Negotiable Instruments for collection/clearing during business hours at counter at branch or through Drop Box (where ever available).
- 07.02. The facility of cheque collection will be offered on Savings Bank / Current / Cash Credit Account holders / Loan account holders.
- 07.03. Branches shall not decline to accept outstation cheques / Negotiable Instruments deposited by its customers for collection.
- 07.04. Branches shall issue only CTS Standard 2010 cheques / Negotiable Instruments to Customers.
- 07.05. Both the drop box facility and the facility for the acknowledgement of the cheques / Negotiable Instruments at regular collection counters will be made available to the customers and no branch shall refuse to give an acknowledgement, if the customer tenders the cheques / Negotiable Instruments at the counters.
- 07.06. The customers will not be compelled to drop the cheques / Negotiable Instruments in the drop-box.
- 07.07. Further, in the context of customer awareness in this regard, branch shall display on the cheque drop box itself that "customer can also tender the cheques F at the counter and obtain acknowledgement on the pay-in-slips". The above message will be displayed in English, Hindi and the concerned regional language of the State.
- 07.08. For extending this facility there will not be any separate stipulation of minimum balance in the account.
- 07.09. The prepaid instruments like Demand Drafts, Pay Orders, Interest/Dividend warrants shall be treated at par with cheques and other Negotiable Instruments.
- 07.10. **Acceptance of cheque bearing a date as per National Calendar:**
Bank shall accept cheques bearing a date as per National Calendar (Saka Samvat) for payment, if otherwise found in order. However, the Gregorian calendar date corresponding to the National Saka calendar shall be ascertained to avoid payment of stale cheques.
- 07.11. **Cheque Drop Facility and the Facility for Acknowledgement of cheques:**

While the cheque drop facility may be made available to the customers, the facility for acknowledgement of cheques at the regular collection counters shall not be denied to them. No branch shall refuse to give an acknowledgement on cheques being tendered by customers at its counters. Customers can also tender the cheques at the counter and obtain acknowledgement of the pay-in-slips. The Above message shall be displayed in English, Hindi and the concerned regional language of the state

08. COLLECTION OF ACCOUNT PAYEE CHEQUE / COLLECTION OF THIRD-PARTY CHEQUE.

- 08.01. Bank shall not collect account payee cheques / Negotiable Instruments for any person other than the payee.
- 08.02. In consonance with the legal requirements of the Negotiable Instruments Act, 1881 and with a view to protect the bank being burdened with liabilities arising out of unauthorized collections, Bank shall not credit the proceeds of 'account payee' cheque to the account of any person other than the payee named therein.
- 08.03. This instruction would also apply with respect to the cheque drawn by a bank payable to another bank.
- 08.04. However, Bank shall collect account payee cheques / Negotiable Instruments drawn for an amount not exceeding Rs. 50,000.00, deposited by the customers who are co-operative credit societies, if the payees of such cheques / Negotiable Instruments are the constituents of such co-operative credit societies and on a clear certificate in writing by the co-operative credit societies concerned that, upon realization, the proceeds of the cheques / Negotiable Instruments will be credited only to the account payee named in the cheque. (REF: RBI/2011-12/252, DBOD.BP.BC.NO.50 / 21.01.001 / 2011-12 dated November 4, 2011)
- 08.05. Above instructions shall applicable to drafts, pay orders and bankers' cheque.
- 08.06. **Collection of cheques / Negotiable Instruments in the name of Deceased Person.**

Accounts Department

08.06.01. For collection of cheque in the name of deceased person, bank will obtain authorization from the Survivor(s)/nominee of a deceased account holder to open an account styled as "Estate of Shri / Smt. _____ Deceased".

08.06.02. Bank shall allow credit of all pipeline flows in the name of deceased account holder, provided no withdrawals are allowed Or the Bank shall return the pipeline flows to the remitter with the remark "Account holder deceased" and will intimate the survivor(s) / nominee accordingly.

09. COLLECTION ARRANGEMENT AND TIME FRAME OF LOCAL AND OUTSTATION CHEQUE/ NEGOTIABLE INSTRUMENTS DRAWN ON OUR BRANCH.

09.01. ARRANGEMENT:-

09.01.01. If cheques / Negotiable Instruments presented to the branches for settlement of transaction by way of transfer between two accounts with the Bank will be accepted.

09.02. TIME FRAME.

09.02.01. Cheques / Negotiable Instruments drawn on bank's local and outstation branches are to be treated as Inter-sol because all branches of the Bank are on CBS platform.

09.02.02. If Cheques / Negotiable Instruments are received within business hours and passed, credit will be provided to its customers on the same day.

09.02.03. If Cheques / Negotiable Instruments are received after business hours and passed, credit will be provided to its customers on the next day.

10. COLLECTION ARRANGEMENT AND TIME FRAME OF LOCAL CHEQUES / OTHER NEGOTIABLE INSTRUMENTS DRAWN ON OTHER BANKS WHERE CLEARING HOUSE IS FUNCTIONING.

10.01. ARRANGEMENT:-

10.01.01. The cheques/ Negotiable Instruments payable locally drawn on other banks would be presented through the clearing system prevailing at the center.

10.01.02. Cheques / other Negotiable Instruments cheques deposited at branch counters and in cheque drop box before the specified cut-off time will be presented for clearing during immediate cycle of clearing.

10.01.03. Cheques / Negotiable Instruments deposited after the cut-off time in cheque drop box will be presented in the next clearing cycle.

10.01.04. The branches will display the cut-off time for receipt of cheques / Negotiable Instruments to be sent in clearing.

10.01.05. The cut-off time for collection of cheques / Negotiable Instruments from drop box will be displayed on the face of the drop box.

10.02. TIME FRAME.

10.02.01. In case of local cheques / Negotiable Instruments, Bank will give credit and or debit on the same day or at the most the next day of their presentation in clearing.

10.02.02. Bank shall permit usage of the shadow credit afforded to the customer account immediately after closure of relative return clearing.

10.02.03. Withdrawal shall be allowed on the same day or maximum within an hour of commencement of business on the next working day, subject to usual safeguards.

11. COLLECTION ARRANGEMENT AND TIME FRAME OF LOCAL CHEQUES / OTHER NEGOTIABLE INSTRUMENTS DRAWN ON OTHER BANKS WHERE CLEARING HOUSE IS NOT FUNCTIONING.

11.01. ARRANGEMENT.

11.01.01. The Bank branches where there is no arrangement of clearing house will either present local cheques / Negotiable Instruments in CTS clearing or on drawee bank/s across the counter.

11.02. TIME FRAME.

11.02.01. The proceeds will be collected on the same day or utmost on the next working day.

11.02.02. If the proceeds received in cash, the account will be credited on the same day.

11.02.03. If the proceeds received in other than cash and in the form of DD/ PO/ Cheque, the norms of outstation cheques will be applicable to get it cleared.

Accounts Department

12. COLLECTION ARRANGEMENT AND TIME FRAME FOR OF OUTSTATION CHEQUES / NEGOTIABLE INSTRUMENTS DRAWN ON OTHER BANKS WHERE CLEARING HOUSE IS FUNCTIONING.

12.01. ARRANGEMENT.

12.01.01. Cheques / Negotiable Instruments drawn on other banks at outstation centers will normally be collected through CTS clearing.

12.01.02. The bank would also use the National Clearing services offered.

12.01.03. TIME FRAME.

12.01.04. Timeframe for collection of cheques / Negotiable Instruments drawn on State Capitals / major cities / other locations to be 7/10/14 days respectively.

12.01.05. The timeframe shall be treated as outer limit and credit shall be afforded if the process gets completed earlier.

13. COLLECTION ARRANGEMENT AND TIME FRAME FOR OF OUTSTATION CHEQUES / NEGOTIABLE INSTRUMENTS DRAWN ON OTHER BANK WHERE CLEARING HOUSE IS NOT FUNCTIONING.

13.01. ARRANGEMENT.

13.01.01. Outstation Cheques / Negotiable Instruments where clearing house is not functioning will be sent through CTS clearing.

13.01.02. In case of Grid of Cooperative Bank, Bank is having correspondent arrangement with HDFC (CMS) and AXIS Bank (CMS).

13.01.03. Bank is a sub-member of Kotak Mahindra Bank for South Grid of clearing.

14. PAYMENT OF INTEREST FOR DELAYED COLLECTION.

14.01. 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.

14.02. Compensation by way of interest payment, where necessary, shall be made without any claim from the customer.

14.03. 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, Lockdown, Strike or other labour disturbances, accident, fires, natural disasters or any other "Acts of God", War, Pandemic, Invocation of Disaster Management Act by Central/State/District/Local government/authorities, Damage to the bank's facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation etc. beyond the control of the bank prevents it from performing its obligations within the specified service delivery parameters.

14.04. The bank will pay interest to its customer on the amount of collection instruments in case there is delay in giving credit beyond the specific time period as aforesaid.

14.04.01. In case of the proceeds of cheque under collection are to be credited to Saving account and current account, compensation at savings bank interest rate shall be paid for the corresponding period of delay.

14.05. In case of the proceeds of cheque under collection are to be credited to a cash credit / overdraft / loan account of the customer, interest will be paid at the rate applicable to the concerned credit facility.

15. PURCHASE OF LOCAL / OUTSTATION CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS.

15.01. The Bank may, at its discretion, purchase local / outstation cheque tendered for collection at the specific request of the customer or as per prior arrangement.

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

15.03. Charges as applicable from time to time will be levied.

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

16.01. 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 being aware of the loss, will inform the account holder so that the account holder can inform the drawer to record stop payment and also take care that cheques and other Negotiable Instruments, if any, issued by him / her are not dishonoured due to non-credit of the amount of the lost cheques and other Negotiable instruments.

Accounts Department

- 16.02. Bank accepts the onus of such loss and shall liable to the accountholder.
- 16.03. The bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.
- 16.04. As prescribed in the compensation policy, bank will compensate the account holder in respect of instruments lost in transit in the following way:-
- 16.04.01. In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection, interest will be paid for the period exceeding the stipulated collection period at the rates specified above.
- 16.04.02. The banks shall reimburse the accountholder related expenses for obtaining duplicate instruments.
- 17. VALIDITY OF CHEQUES / NEGOTIABLE INSTRUMENTS/ DRAFTS / PAY ORDERS / BANKER'S CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS.**
- 17.01. The validity of Cheques / Negotiable Instruments/ Drafts / Banker's Cheques / Negotiable Instruments is three months only from the date of issue.
- 17.02. Bank shall not make payment of cheques / Negotiable Instruments/drafts/pay orders/banker's cheques / Negotiable Instruments bearing that date or any subsequent date, if they are presented beyond the period of three months from the date of such instrument.
- 17.03. Bank shall notify it by printing or stamping on the cheque leaves, drafts, pay orders and banker's cheques and other Negotiable Instruments.
- 18. SERVICE CHARGES / FEES ON COLLECTION OF CHEQUE.**
- 18.01. For all collection services bank will levy service charges as decided by the bank from time to time.
- 18.02. The schedule of charges will be updated on notice board and in Bank's website from time to time.
- 19. BILLS FOR COLLECTION.**
- 19.01. Arrangement of collection of Bills.
- 19.01.01. Bills for collection including bills discounted shall be collected if account of both the drawer and drawee in the same branch of our Bank.
- 19.01.02. Bills for collection including bills discounted shall be collected through our branch at the realising centre.
- 19.01.03. Bills for collection including bills discounted shall be collected through another bank, if no our branch at the realising centre.
- 19.01.04. Bills for collection including bills discounted shall be collected directly, if centre is without any Bank, on express permission of the lodger.
- 19.02. Time frame for collection of bills.**
- 19.02.01. Additional 12 days from Due date of the bill. (Despatch of bills – 2 working days, Transit period- 3, working days, Presentation of bills of drawee- 2 working days, Remittance of proceeds to the lodger's bank – 3 working days, Crediting the proceeds to drawer's account - 2 working days)
- 19.03. Payment of interest for Delays in collection of bills.**
- 19.03.01. Bank shall pay interest to the lodger for the delayed period in respect of collection of bills at the rate of savings bank interest for the corresponding period of delay.
- 20. DISHONOUR OF CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS.**
- 20.01. The dishonoured instruments shall be returned / despatched to the customer promptly without delay, in any case within 24 hours.
- 20.02. Bank shall return dishonoured cheques / Negotiable Instruments 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.
- 20.03. In case of dishonour/ return of cheques and other Negotiable Instruments, the bank shall clearly indicate the return reason code on the return memo which should also bear the signature of the bank officials as prescribed in Rule 6 of the Uniform Regulations and Rules for Bankers' Clearing Houses.
- 20.04. If cheques / Negotiable Instruments presented to the branches for settlement of transaction by way of transfer between two accounts with that branch, it will return such dishonoured cheques / Negotiable Instruments to payees / holders immediately.

Accounts Department

- 20.05. Cheques / Negotiable Instruments received back unpaid will be returned by post/ courier etc. to the customer within 48 working hours (excluding holiday) on the address recorded in Bank's database. However, these will be kept in the Bank for returning to the customer over the counter if he/she makes a request for the same. If not collected by the customer on the same or next working day, bank will send them back at the recorded address by post or courier.
- 20.06. However, in cases with incomplete address, incomplete phone no., no phone number mentioned on the Pay-in slip, the bank will keep/preserve these instruments for a maximum period of 3 months in case the customer fails to collect the same.
- 20.07. Cheque will be returned if any alteration is made in cheque. No changes / corrections should be carried out on the cheques / Negotiable Instruments 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. Collecting banks have to ensure that such cheques / Negotiable Instruments are not accepted for presentation in CTS.
- 20.08. Cheque return charges shall be levied only in cases where the customer is at fault and is responsible for such returns.
- 20.09. In any proceeding relating to dishonoured cheque before a court, consumer forum or any other competent authority, bank shall extend full co-operation, and shall furnish him/her documentary proof of fact of dishonour of cheques / Negotiable Instruments.
- 20.10. The disciplinary action shall be taken against staff of the bank 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.
- 20.11. In case any Drawee bank desires to verify the government cheque in physical form before passing it for payment, the image would be returned unpaid under the reason "present with document". The presenting bank on such instances shall ensure that the instrument is presented again in the next applicable clearing session without any reference to the account holder (payee).
- 20.12. At any time during the preservation period of cheques and other Negotiable Instruments, for the purpose of reconciliation, enquiry, investigation, etc., the Office of AG/State Government Departments/ Treasuries/ Sub-Treasuries may require any paid cheque in physical form for which the concerned State Government Department/Treasury/Sub-Treasury would approach the dealing branch.
- 20.12.01. Whenever so demanded, the dealing branch shall arrange to furnish the cheques / Negotiable Instruments paid by it by way of cash and transfer immediately. In case of cheques / Negotiable Instruments paid by way of clearing, the same shall be supplied to the Office of AG/State Government Departments/Treasuries/Sub-Treasuries within a reasonable period after obtaining it from the presenting bank. It is the responsibility of the presenting bank in such instances to comply with the request of the Office of AG/State Government Departments/Treasuries/Sub-Treasuries / Drawee bank for any physical cheque and provide the same to the respective Drawee bank within a reasonable period.
- 20.13. The list of reason for returns is under however those reasons are indicative, bank may add the reasons as per the practice.

CBS CODE	Reason
1	Funds insufficient
2	Exceeds arrangement
3	Effects not cleared, present again.
4	Refer to drawer
5	Kindly contact Drawer / Drawee Bank and please present
10	Drawers signature incomplete
11	Drawers signature illegible
12	Drawers signature differs
13	Drawers signature required
14	Drawers signature not as per mandate
15	Drawers signature to operate account not received

The Nasik Merchants' Co-operative Bank Ltd., Nashik.

नामको बँक
(संयोजित-संयोजित बँक)



Namco Bank
(Multi-state Scheduled Bank)

Accounts Department

16	Drawers authority to operate account not received
17	Alteration require 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 outdated / stale
32	Instrument undated / without proper date
33	Instrument mutilated requires Banks guarantee
34	Cheque irregularly drawn / amount in words and figures differ
35	Clearing House stamp/ date required
36	Wrongly delivered/ Not drawn on us
37	Present in proper zone
38	Instrument contains extraneous matter
39	Image not clear, present again with paper
40	Present with document
41	Item Listed Twice
42	Paper not received
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.
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	Payees endorsement required
67	Payees endorsement irregular / requires collecting banks 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 banks funds with sponsor bank insufficient
73	Payees separate discharge to bank required
74	Not payable till 1st proximo
75	Pay order/ cheque requires counter signature
76	Required information not legible/ correct
80	Banks certificate ambiguous / incomplete/ required
81	Draft lost by issuing office / confirmation required from issuing office
82	Bank / Branch Blocked
83	Digital Certificate Validation failure
84	Other reasons Connectivity Failure
85	Alterations/Corrections on instruments are prohibited under CTS
86	Fake / Forged / Stolen draft / cheque / cash order / interest warrant / dividend warrant
87	Payees a/c Credited - Stamp required
88	Other reasons (Please Specify)
92	Bank Excluded

Accounts Department

21. MIS ON DISHONoured CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS.

- 21.01. Bank will place before Audit / Management Committee, every quarter, consolidated data in respect of the matters referred to below.
- 21.01.01. Data in respect of each dishonoured cheque for amount of Rs.1.00 crores and above will be made part of Bank's MIS on constituents.
- 21.01.02. Data in respect of cheques / Negotiable Instruments drawn in favour of stock exchanges and dishonoured will be taken separately irrespective of the value of such cheques / Negotiable Instruments as a part of Bank's MIS relating to broker entities at Central Office.
- 21.02. 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 will furnish him / her documentary proof of fact of dishonour of cheque.

22. DEALING WITH INCIDENCE OF FREQUENT DISHONOUR OF CHEQUES / NEGOTIABLE INSTRUMENTS OF RS.1.00 CRORE AND ABOVE

- 22.01. With a view to enforce financial discipline among the customers, bank has decided to introduce a condition for operation of accounts with cheque facility that in the event of dishonour of a cheque valuing rupees one crores and above drawn on a particular account of the drawer on four occasions during the financial year for want of sufficient funds in the account, no fresh cheque book would be issued.
- 22.02. The bank may also consider closing current account at its discretion.
- 22.03. If a cheque is dishonoured for a third time on a particular account of the drawer during the financial year, bank will issue a cautionary advice (Physical or Electronic) to the concerned constituent drawing his attention to aforesaid condition and consequential stoppage of cheque facility in the event of cheque being dishonoured on fourth occasion on the same account during the financial year.
- 22.03.01. Similar cautionary advice (Physical or Electronic) will be issued if the bank intends to close the account.

23. POSITIVE PAY SYSTEM.

Bank is facing some technical issues, however taking steps to implement the positive pay system as early as possible.

24. VERIFICATION OF ISSUANCE OF CHEQUES / NEGOTIABLE INSTRUMENTS PRESENTED IN CLEARING.

- 24.01. All current account cheques / Negotiable Instruments of Rs.05.00 lakhs and above and All saving account cheques / Negotiable Instruments of Rs.01.00 Lakhs and above presented for payment in CTS Clearing, Cash Payment, NEFT/RTGS/Transfer shall be invariably cross verified by contacting the customer and obtaining confirmation over registered phone/email/SMS.
- 24.02. The base branch has to contact the customer for getting confirmation on issuance of the cheque either through telephone/e-mail/SMS.
- 24.03. In case of any doubt when the payment is to an entity/person not connected to the previous trend of the account or profile or business of the customer, Bank will take confirmation from the customer as enumerated above.
- 24.04. Bank also provides SMS to customers on lodgement of cheque in clearing, so that customers are kept informed.
- 24.05. If any cheque is not issued by the customer or the customer refuses to provide confirmation or branch suspects the genuineness of the cheque due to the features appearing on the image of the cheque or if they fail to get confirmation from the customer, it should be informed to the respective branch before 12.00 Noon on the same day for returning the cheque to Clearing House and alerting the presenting bank.

25. DELAY IN RE-PRESENTATION OF TECHNICAL RETURN CHEQUES / NEGOTIABLE INSTRUMENTS AND LEVY OF CHARGES FOR SUCH RETURNS.

- 25.01. Bank shall levy cheque return charges only in cases where the customer is at fault and is responsible for such returns.
- 25.02. In cases where the cheques / Negotiable Instruments need to be re-presented without any recourse to the payee, such re-presentation shall be made in the immediate next presentation clearing not later than 24

Accounts Department

hours(excluding holidays) with due notification to the customers of such representation through SMS alert, email etc.

26. PRESERVATION OF CHEQUES AND NEGOTIABLE INSTRUMENTS.

- 26.01. The Bank shall preserve the physical instruments for a period of 10 years as required under Procedural Guidelines for CTS.
- 26.02. In cases one specific cheque / Negotiable Instruments are required for the purpose of any investigation, enquiry, etc., under the law; they may be preserved beyond 10 years.
- 26.03. The Bank shall make necessary arrangements to preserve the images of all government cheques / Negotiable Instruments for a period of 10 years with themselves or through the National Archival System put in place by National Payments Corporation of India (NPCI).
- 26.04. The government cheques / Negotiable Instruments paid across the counter by way of cash withdrawal or transfer also will be truncated and preserved for 10 years.
- 26.05. Adequate safeguards shall be built to ensure that these images are captured separately and not mixed up with the images of the instruments received for payment in clearing. A common electronic file containing the images of all the paid cheques / Negotiable Instruments shall be created on a daily basis for onward transmission to State Government Departments/ Treasuries/ Sub-Treasuries.

27. Modalities for Continuous Clearing with Settlement On- realisation in CTS

1. Single presentation session with continuous delivery:

- a) There shall be a single presentation session from 10:00 AM to 4:00 PM.
- b) Cheques received by the branches shall be scanned and sent to the clearing house by the banks immediately and continuously during the presentation session.
- c) The clearing house will in turn release the cheque images to drawee banks on a continuous basis.

2. Continuous inward processing and confirmation by banks:

- a) The confirmation session shall start at 10:00 AM and close at 7:00 PM.
- b) For every cheque presented, the drawee bank shall generate either positive confirmation (for honoured cheques) or negative confirmation (for dishonoured cheques).
- c) Each cheque will contain the 'Item Expiry Time' which indicates the latest time by which confirmation for the presented instrument needs to be provided by the drawee bank.
- d) Processing by drawee banks is to be done continuously throughout the day and on a real-time basis as soon as cheque images are received.
- e) Information of positive/negative confirmation shall be sent by the drawee banks to the clearing house immediately after processing.

3. Time available for inward processing:

- a) During phase 1 (From October 4 to January 2, 2026), drawee banks shall be required to confirm (positively / negatively) cheques presented on them latest by end of confirmation session (i.e. 7:00 PM) else those will be deemed to have been approved and included for settlement. Item expiry time for all cheques shall be set as 7:00 PM in phase 1. 3
- b) In Phase 2 (from January 3, 2026), the item expiry time of cheques shall be changed to T+3 clear hours. For example, the cheques received by drawee banks between 10:00 AM and 11:00 AM will have to be confirmed positively or negatively by them by 2:00 PM (3 hours from 11:00 AM). Cheques for which confirmation is not provided by the drawee bank in the prescribed 3 hours shall be treated as deemed approved and included for settlement at 2:00 PM.

4. Settlement on realisation:

- a) No accounting entries (settlement) will be posted for presentation of cheques.
- b) Starting from 11:00 AM, settlement will arrived every hour till the end of confirmation session, based on the positive confirmations received from drawee banks and cheques considered deemed approved.
- c) No accounting entries shall be passed for cheques with negative confirmation.

5. Releasing payment to customers:

- a) On completion of settlement, clearing house shall release the information of positive and negative confirmations to the presenting bank.
- b) The presenting bank shall process the same and release the payment to the customers immediately, but not

Accounts Department

later than 1 hour from successful settlement, subject to usual safeguards.

28. CUSTOMER GRIEVANCES REDRESSAL.

- 28.01. Bank has a structured Customer Grievances Redressal Policy displayed on the web site.
- 28.02. Customer having grievances on the subject area will be redressed as per our Customer Grievances Redressal Policy.
- 28.03. Dispute Resolution Mechanism at RBI – Panel for Resolution of Disputes (PRD): There is a Dispute Resolution Mechanism for all payment systems, in line with the provisions of the Payment and Settlement Systems Act, 2007 (PSS Act). This is applicable for all Clearing House-related activities, including paper (cheques and other Negotiable Instruments) and retail electronic (ECS) payment products. Branches can refer the relevant disputed cases between banks to PRD in time. The PRD is applicable for cheque amount Rs.50000.00 and above.

29. GENERAL.

- 29.01. Banks shall give wide publicity for having this policy by displaying on the notice board at all the branches.
- 29.02. A complete copy of this policy shall be made available by the branch manager, if the customers require so.
- 29.03. SMS/e-mail Alerts: The Bank as a policy has enabled the customer to receive SMS/e-mail-based alerts for presentation, realization or dishonour of instruments sent through clearing/collection.

30. VALIDITY & REVIEW OF THE POLICY.

- 30.01. The policy shall be reviewed annually in tune with the regulatory guidelines issued from time to time or internal requirements or as and when considered necessary.
- 30.02. This Policy shall be valid up to 31st March 2027.
- 30.03. There has been no change in the Cheque Collection policy this year compare to last year.

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