

Committee on Procedures and Performance Audit on Public Services

1.Immediate credit of local/outstation cheques upto Rs.15,000/-

Pre-conditions:

- a.The account is satisfactorily operated.
- b.There are no earlier cheque returns.
- c.Cheque is otherwise in order.
- d.This facility can be extended at the specific written request of the customer.
- e.Branch has to collect normal cheque purchase charges from the customer.

2.Time frame for collection of local/outstation instruments :

Local:

Within the clearing time fixed by Local Clearing House subject to a maximum of 3 working days.

Outstation:

- a.Cheques drawn on MICR centres : – 7 working days from the date of deposit of the instrument.
- b.Cheques drawn on non-MICR centres – 10 working days from the date of deposit of the instrument.

3.Interest payment for delayed collection :

- a.For delay of more than 10 working days in respect of cheques drawn on both MICR & NON MICR centres, interest is payable at the rate of savings bank interest for the delayed period.
- b.Where the proceeds of an instrument were to be credited to cash credit / overdraft / loan account, at the minimum lending rate stipulated by RBI from time to time.
- c.Penal interest of 2% payable by the bank over the above prescribed interest rate if the delay is more than 30 days.

Interest will not be paid on cheques / instruments lost in transit. If the interest is less than Rs.5/-, it may not be paid. The interest is to be paid by the bank even if demand is not made by the customer.