



Pune People's Co-op Bank Ltd., Pune

(Multi-State bank)

Plot No. 477/478, Gate No.4, Market Yard, Gultekdi, Pune - 411037

Cheque Collection Policy

1. Introduction

The Bank provides cheque collection services as a part of its standard banking operations for customers. This policy outlines the principles, timelines, and service commitments adopted by the Bank for collection of cheques and other negotiable instruments.

In line with guidelines issued by the Reserve Bank of India (RBI), the Bank has formulated this Cheque Collection Policy to ensure transparency, efficiency, and fairness in cheque collection services. The Bank also provides compensation to customers in case of delays beyond prescribed timelines.

The objectives of this policy include:

- Defining timelines for credit of local and outstation cheques and other instruments
- Establishing monitoring mechanisms for high-value cheque dishonour cases
- Setting procedures for handling lost or delayed instruments
- Defining cheque return and re-presentation processes
- Ensuring timely compensation in case of service delays

The Bank will ensure that key features of this policy are made available to customers through branch displays and upon request.

2. Objective of the Policy

This policy reflects the Bank's commitment to providing efficient and transparent cheque collection services. It is based on principles of fairness, accountability, and enhanced customer service through increased use of technology and automated clearing systems.

3. Cheque Collection Arrangements and Timelines

3.1 General Cheque Processing

- All cheques and negotiable instruments are processed through the Cheque Truncation System (CTS) clearing mechanism.
- Cheques deposited before the applicable cut-off time are presented for clearing on the same day.
- Cheques deposited after the cut-off time are processed in the next clearing cycle.
- Credit is provided to the customer's account upon realization of funds in clearing settlement.
- Withdrawals against cleared funds are subject to clearing house return timelines.

3.2 Payable at Par Cheque Facility

- Payable at par (PAP) cheque books are issued to eligible customers.
- No value limit is applicable for PAP cheques unless otherwise specified.
- No charges are levied for issuance or use of PAP cheque facilities.

4. Continuous Clearing under Cheque Truncation System (CTS)

The Bank participates in RBI's Continuous Clearing framework under CTS to enable faster cheque processing and fund availability.

Phase I – Hourly Settlement System

- Implemented from October 2025 to January 2026
- Cheques are processed in hourly clearing cycles during working hours
- Final settlement confirmation is completed by 7:00 PM or as prescribed
- If return files are not received within timelines, credit may be deferred to the next working day

Phase II – T+3 Hour Model

- Effective from 3rd January 2026
- Cheques are processed with settlement confirmation expected within 3 hours of presentation
- Cheques deposited within prescribed time windows are eligible for same-day credit subject to clearance

Deemed Approval

- If no return is received within the prescribed timeframe, the cheque shall be treated as “deemed cleared” as per CTS guidelines
- Such cases will be treated as final settlement, subject to internal validations

5. Compensation for Delayed Collection

- The Bank will pay interest at Savings Bank rate for delays exceeding **2 working days** in crediting cheque proceeds.
- Compensation will be provided automatically without customer request.
- This applies to all account types and cheque categories.
- Delays due to internal processing failures, including Branch Return File delays, are included in compensation coverage.

6. Cheques Lost in Transit or Clearing Process

In case a cheque is lost during transit, clearing, or at the paying bank:

- The Bank will inform the customer immediately upon detection
- Assistance will be provided to obtain a duplicate instrument
- Interest compensation will be provided for delays beyond prescribed timelines
- Additional interest may be paid for extended delays in obtaining duplicate instruments
- Reasonable duplicate issuance charges will also be reimbursed upon submission of proof, where applicable

7. Positive Pay System

- The Bank implements the RBI-mandated Positive Pay System for cheque verification
- Submission of cheque details is optional for cheques of ₹50,000 and above
- The Bank may make Positive Pay mandatory for cheques of ₹5,00,000 and above
- Cheques will not be returned solely for non-submission of Positive Pay details at present
- Customers may submit details through branches or digital banking channels (24x7)

8. Returned Cheques and Incorrect Deposits

8.1 Returned Cheques

- Returned cheques will be dispatched to the customer within 24 hours (excluding holidays)
- Customers may collect returned instruments from the branch upon request
- If uncollected within 15 days, instruments may be sent to the registered address
- Charges may apply as per the Bank's Schedule of Charges

8.2 Incorrect Account Deposits

- Cheques deposited with incorrect account details will be returned within 2 working days
- Instruments with incomplete contact details may be retained for up to 3 months

9. Dishonour of Cheques and Account Action

The Bank may take action in cases of repeated cheque dishonour due to insufficient funds, including restriction of cheque facilities and account review.

High-value cheques (₹1 crore and above):

- Repeated dishonour may result in suspension of cheque facility
- Warning communication will be issued after repeated occurrences
- Accounts may be reviewed for closure after due notice

Cheques below ₹1 crore:

- Repeated dishonour may result in suspension of cheque facility
- Warning notice will be issued after multiple instances
- Accounts may be reviewed for closure after due process

No charges will be levied where dishonour occurs due to reasons not attributable to the customer.

10. Cheque Return Charges

- Charges are levied only where the customer is responsible for cheque return
- No charges will be applied for returns where the customer is not at fault, as per RBI guidelines
- A list of such reasons is maintained in accordance with clearing house rules

11. Re-presentation of Cheques

Technical return cheques eligible for re-presentation will be resubmitted in the next immediate clearing cycle, generally within 24 hours (excluding holidays). Customers will be notified via SMS or email.

12. Force Majeure

The Bank shall not be liable for delays in cheque processing or settlement arising from events beyond its control, including but not limited to natural disasters, strikes, system failures, war, or disruptions in communication or transportation.