STATE BANK OF PATIALA
POLICY ON MULTI-CITY (PAYABLE AT PAR) CTS-2010 STANDARD CHEQUES

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POLICY ON MULTI-CITY (PAYABLE AT PAR) CTS-2010 STANDARD CHEQUES

1. Introduction:

This document covers Bank's policy in respect of "Multicity (Payable at par) CTS-2010 Standard Cheques".

2. General: Definition of Multi-city cheque:

- **Multi-City Cheque (MCC):** It is a cheque drawn by a customer of the Bank in favour of a person/entity named therein and is **payable at par** at all branches of the Bank, subject to detailed terms and conditions as under.
- The payee can present the cheque directly at any of our Core Banking branch or in clearing through his bank.
- In case of a Multi City Cheque, the term drawee would connote any branch of the Bank in **India**.
- MCCs may be issued "bearer" or "order" as detailed hereunder.

3. Eligibility criteria for issuance of MCCs:

- All Core Banking branches are authorized to issue MCCs**.**
- All customers having Cheque operated accounts are eligible to be issued MCCs.

4. Upper Limit of MCCs:

- There will be no limit for payment of MCC at home branch.
- There will be a cap on payment of MCC at non-home branches with legend/ ceiling mentioned on the Cheques as detailed hereunder:-
  "Valid upto Rs…….lacs at Non-Home branch"

5. Transfer Transactions at Non-Home Branch-Maximum limit

(A) SAVINGS BANK ACCOUNTS (instrument type 31):

I) Savings Bank other than HNI/NRI : Rs.10 lacs.
II) HNI/ NRI Savings Bank * : Rs.50 lacs.

* MCC may be issued without any legend/ ceiling, if so specifically requisitioned by the account holder, on the recommendation of Branch Manager to LCPC.

(B) CURRENT ACCOUNTS (Instrument type 29):

I) Current Account**: Max. Limit Rs. 50 lacs.
II) Corporate & Institutional clients****
(including Government Department Accounts) **: Max. Limit Rs.50 lacs.
III) CCPAP (Corporate Client Cheques payable at par) ***: Unlimited.****

** i) MCC may be issued without any legend/ ceiling, if so specifically requisitioned by the *account holder, at the discretion of BM of the branch.*

ii) In case of Govt. Department. A/cs. – No cap, if a separate agreement exists with the Department.

*** *i) CCPAP (Instrument type 29) with facsimile signature will have an upper limit of Rs.10 lacs.*

ii) Under CCPAP, the instrument number, account number, instrument type, amount and date of expiry are validated at the time of payment to ensure against fraudulent payment of the CCPAP.
**** *Whenever introduced.*

(C) CASH CREDIT (Instrument type 30): Max. Rs. 50 lacs.

However, MCC may be issued without any legend/ ceiling, if so specifically requisitioned by the account holder, at the discretion of BM of the branch.

6. Cash Payment at Non-Home Branch-Maximum limit

As per instructions prevailing from time to time.

Presently, it is as under: -

i) 'P' segment: Rs.50000/- for self. No cash payment to third parties.
ii) SME segment: Rs.100,000/- for self. No cash payment to third parties.
iii) No cash payment of CAG/MCG/CMP Cheques at non-home branch.

Managing Director will have the authority to make necessary changes in the ceiling from time to time.

7. Issue of Bearer/Order MCC (based on A/c. holder's Risk perception):

i) In Savings Bank accounts, MCCs issued to HNIs/NRIs etc. will be "Order" Cheques by default.
ii) In other retail segment Savings Bank accounts, by default, "Bearer" MCCs will be issued. (However, there will be a specific provision in the requisition for a preference of "Order" Cheques.)
iii) In all Cash Credit & Current A/cs., only "Order" Multi-city Cheques will be issued.

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8. Payment with risk mitigation system:

- The payment of MCCs at home branch will have no restriction with regard to limit on amount of Cheques.
- The payment of MCCs at non-home branch will be restricted as per the limit of the Cheque (as per legend mentioned on the Cheque as narrated herein above).
- At present these limits are being administratively ensured. CDC shall be advised to develop the functionality in CBS to ensure these non-home caps.
- Passing for payment of high value cheques of Rs.50 lacs and above will be physically authorised by two officials.

9. Charges for Issuance of MCCs/ Payment of MCCs (at Non Home Branches):

As per prevailing charges, revised time to time.

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

- Printing of MCCs is now fully in conformity with CTS- 2010 Standards.
- The LCPC is printing and issuing MCCs in respect of branches linked to them.
- The number of cheque leaves in the Multi City payable at par CTS-2010 standard cheque books will be as under:

i) SB Account - 10 leaves to 25leaves
ii) Current Account - 25 leaves to 50 leaves
iii) CC & others - 25 leaves to 50 leaves

However, in case of specific requirement of the Corporate / Firm / Entity, cheque books may be issued upto1000 leaves on continuous stationery.

- LCPC will print Cheques for corporate clients and institutions using CCPAP (instrument type 29) without any upper limit. In case of Cheques with facsimile signature, the upper limit will be Rs.10 lac.

11. Issuance of Emergency Cheque Books:

Branches may issue a cheque book of 10 leaves, if a customer demands the same, and also ensure that adequate stocks of such cheque books of 10 leaves each are available with all the branches to meet the emergency requirements of the customers.

12. Dispatching the cheque books:

Multicity (CTS-2010 standard) cheque books will be despatched to the customers on their latest recorded address/address given to the branches.

13. Cheque Books returned undelivered:

- Cheque Books returned undelivered will be blocked/marked "STOPPED" after 3 months of return of such cheque books, in the system from backend (CDC, Belapur will be advised to develop the suitable functionality) and thereafter, Branches will physically destroy all such cheque books.
- It will be the responsibility of the Branch to keep safe custody of undelivered cheque books and to mark "STOP" in the system after 3 months of their return and thereafter to destroy them physically

14. Discontinuation of printing of non-Multi City Cheques:

There will be no printing and issuing of non-Multi City Cheques for all customers. **However, the non CTS-2010 MCCs** already printed and distributed to customers will continue to be paid till the stock (with customers) lasts. Gradually the new variety of CTS-2010 standard MCCs will replace the existing stock.

15. Handling of old non CTS-2010 standard / CTS-2010 standard order cheques:

- Payment of old non CTS-2010 standard cheques has been permitted by RBI even after 1st January 2014. Similarly, CTS-2010 Order cheques will continue to be payable at Branches/clearing centres.
- RBI has also permitted clearance of non CTS-2010 standard cheques at grid based CTS clearing centre under separate clearing sessions with delayed collection period after 31st December 2013.

16. Payment of old non CTS-2010 standard Multi-city cheques with "Order" clause:

The payment of existing Order Multi-city (payable at par) CTS-2010 standard cheques already issued to the customers will be allowed for cash payment at Home branches to the bearer of the cheques as per the endorsement of the drawer on the reverse of the cheque in order to avoid possible complaints in future.

17. 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. Bank shall also endeavour to review the Policy once in three years or earlier, as and when required by the RBI/IBA.

18. 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 Bank's or its correspondent bank(s) systems, communication channels etc. beyond the control of the Bank, prevents it from performing its obligations within the specified service delivery parameters.

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