



सिंडिकेटबैंक SyndicateBank

भारत सरकार का उपक्रम A Govt. of India Undertaking

प्रधान कार्यालय: मणिपाल (कर्नाटक)/Head Office: Manipal - 576 104 (Karnataka)

संघटन एवं पद्धति प्रभाग / ORGANISATION & METHOD

eCircular

Circular No. 234-2011-BC-P&D-88

Date: 25-08-2011
PERMANENT UTILITY

MISUSE OF BANKING CHANNELS – ISSUE AND PAYMENT OF DEMAND DRAFTS FOR ₹.50,000/- & ABOVE

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Attention of Branches / Offices is drawn to following circulars: -

1. Circular No.50-2010-BC-P&D-13 dated 13.02.2010
2. Circular No.148-2010-BC-P&D-43 dated 21.06.2010 – Page no.2, Guidelines Point no.2
3. Circular No.201-2010-BC-P&D-65 dated 06.08.2010 &
4. Circular No.215-2010-BC-P&D-71 dated 23.08.2010 –Page No.4, Guidelines Para No.2.1 ii)

wherein it is stated that **Banks should ensure that any remittance of funds by way of demand draft, mail / telegraphic transfer or through any other mode and issue of travellers' cheques for value of Rupees fifty thousand and above is effected by debit to the customer's account or against cheques or other instruments and not against cash payment.**

Attention of branches is also invited to following Paragraphs of Manual of Instructions – VI - Accounting Concepts.

Para No.6.3.25 [N] – Page No.150 – Issue of DDs for ₹.50,000/- & above

Para No.6.3.30 [A] xix) - Page No.156 - Payment of DDs of ₹.50,000/- & above through banking channels only and not in cash.

Reserve Bank of India has informed that some Banks have recently issued Demand Drafts of ₹.50,000/- & above on deposit of cash and not against debit to the customer's account or against cheques or other instruments tendered by the customer vide letter No.DBOD.BP.BC.No.26/21.01.001/2011-12 dated August 01, 2011.

Reserve Bank of India has expressed serious concern about breach of above guidelines in view of wide ranging ramifications.

In order to secure the integrity of the financial system in general and the banking system in particular, RBI has reiterated strict compliance of their earlier instructions on the above matter.

Any violation of these instructions will be viewed seriously by RBI.

Branches / Offices are once again instructed to take note of RBI guidelines and ensure that issue and payment of demand draft, mail / telegraphic transfer or through any other mode and issue / payment of travellers' cheques for value of Rupees fifty thousand and above is effected through banking channels only and not in cash mode.

Attention of branches is also drawn to circular No.180-2011-BC-CAD-16 dated 01.07.2011 wherein it is mentioned that the option of issuing & payment of cash DD/PO/TTs of ₹.50,000/- & above will be blocked in CBS. Branches are directed to adhere to the guidelines of this circular and to comply with the directions of RBI.

Clarifications required, if any, on this circular may be sought from **PLANNING & DEVELOPMENT DEPARTMENT** at Corporate Office, Bangalore, through respective RO, as per extant guidelines.

LGYMI:YRTOM:YRUKI
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(K N PANDEY)
GENERAL MANAGER