



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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July 24, 2013

The Chairman and Managing Director / Chief Executive Officer
All Scheduled Commercial Banks including RRBs /
Urban Co-operative Banks / State Co-operative Banks /
District Central Co-operative Banks/Local Area Banks

Madam / Dear Sir

Migration of Post-dated cheques (PDC)/Equated Monthly Instalment (EMI) Cheques to Electronic Clearing Service (Debit)

We invite a reference to our circular [DPSS.CO.CHD.No.1622/04.07.05/2012-13 dated March 18, 2013](#) wherein all lending banks have been advised not to accept any fresh Post Dated Cheques (PDC)/Equated Monthly Installment (EMI) cheques in locations where the facility of ECS/RECS (Debit) is available and convert existing cheques in such locations into ECS/RECS (Debit) by obtaining fresh mandates.

2. However, instances of banks obtaining fresh cheques (both CTS-2010 and non CTS-2010 standard) in locations where the facility of ECS/RECS is available have been brought to our notice, thus necessitating a reiteration of our earlier instructions in this regard.

3. Accordingly, banks are advised to adhere to the following instructions with immediate effect:

- a. No **fresh/additional** Post Dated Cheques (PDC)/Equated Monthly Installment (EMI) cheques (either in old format or new CTS-2010 format) shall be accepted in locations where the facility of ECS/RECS (Debit) is available. The existing PDCs/EMI cheques in such locations may be converted into ECS/RECS (Debit) **by obtaining fresh ECS (Debit) mandates.**

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- b. As indicated in our circular [DPSS.CO.PD.No.497/02.12.004/2011-12 dated September 21, 2011](#), Section 25 of the Payment and Settlement Systems Act, 2007 accords the same rights and remedies to the payee (beneficiary) against dishonor of electronic funds transfer instructions under insufficiency of funds as are available under Section 138 of the Negotiable Instruments Act, 1881. Considering the protection available, there is no need for banks to take additional cheques, if any, from customers in addition to ECS (Debit) mandates.
- c. Cheques complying with CTS-2010 standard formats shall alone be obtained in locations, where the facility of ECS/RECS is **not** available.

4. The above instructions are issued under section 18 of the Payment and Settlement Systems Act 2007 (Act 51 of 2007).

5. Please acknowledge receipt.

Yours faithfully

(Vijay Chugh)
Chief General Manager