RBI/2013-14/472  
RPCD.RRB.RCB.BC.No. 80 /07.51.014/2013-14  
January 28, 2014

The Chairmen / CEOs of  
All Regional Rural Banks /  
State and Central Co-operative Banks

Dear Sir/Madam,

Collection of Account Payee Cheques –  
Prohibition on Crediting Proceeds to Third Party Account

Please refer to our circulars RPCD.CO.RRB.BC.No.30/03.05.33/2011-12 dated November 11, 2011 and RPCD.CO.RCBD.BC.No.34/07.38.03/2011-12 dated November 24, 2011 advising Regional Rural Banks (RRBs) and State / Central Cooperative Banks (StCBs/CCBs) that they are prohibited from crediting 'account payee' cheques to the account of any person other than the payee named therein. We reiterate these instructions and advise that banks should strictly collect 'account payee' cheques only for their payee constituents.

2. RRBs and StCBs/CCBs may, however, consider collecting account payee cheques drawn for an amount not exceeding Rs.50,000/- to the account of their customers who are co-operative credit societies, if the payees of such cheques are the constituents of such co-operative credit societies, as advised in our above circulars dated November 11, 2011 and November 24, 2011.

Yours faithfully,

(A. Udgata)  
Principal Chief General Manager