

NPCI/2017-18/NACH/Circular No.229

June 15, 2017

To

All member banks participating in NACH

**Penalty on multiple representations of a transaction returned with reason
“Account closed” & “No such account”**

In order to reduce returns the member banks should avoid presenting transactions that are already returned with various reasons like account closed, no such account.


The matter was discussed in the NACH steering committee and it was decided that banks should not represent a transaction that has already been returned twice with the reasons stated above. If any bank continue to present the returned transactions then from third instance of presentation of such returned instruments will attract a penalty of Rs.25 per instance of presentation.

NPCI will calculate the penalty to be levied on the presenting banks and recover the penalty along with applicable taxes on monthly basis. This applies to all the products under NACH except DBT and DBTL related transactions.

Member banks are advised to take note and inform all the concerned entities to enable them to put process in place to ensure that they do not represent cases that are already returned twice. This will be effective from July 01, 2017.

For any clarifications please write back to ach@npci.org.in

With warm regards,



(Girdhar G M)

VP & Head - NACH & CTS Operations