

To

NACH Member Banks

**Improving the success rate of NACH mandate registration**

Reference may be taken from the circulars NPCI/2016-17/NACH/Circular No. 216 dated Mar 13, 2017 and NPCI/2018-19/NACH/Circular No.022 dated August 24, 2018 on mandate processing and minimising the rejections. Banks are advised to follow the process provided below in order to improve the success rate of mandates presented on them.

1. Signature mismatch: In case of physical mandates in the instance of marginal mismatch in the signature the banks should implement the following process in the workflow.
  - a. Review by a higher official
  - b. Seeking confirmation from the customer through tele calling and authentication.
2. Mandates drawn on CC account: Refer to RBI circular on opening a current account for a customer who has availed CC / OD facilities from the banking system. As per the guidelines the corporates who have availed CC / OD facility have to route all the transactions through the CC / OD account only. They have to issue mandates as well on the CC / OD account only. Reference may be taken from our circular No: NPCI/NACH/2018-19/Circular no. 022 dated August 24, 2018 on processing of mandates drawn on CC accounts on the basis of purpose provided by the issuer of the mandate. Banks should evaluate mandates on the basis of the purpose tag provided by the originator so that the mandates issues for genuine business purpose are not rejected causing inconvenience to the customer.
3. Return on account of insufficient balance to recover processing fee: A few banks are returning the mandates for the reason that balance at the time of mandate processing is insufficient to cover the processing fee. Banks should note that mandate registration is not a financial transactions and hence mandates should not be returned for such reason. Mandates should be registered, if otherwise in order, irrespective of the balance in the account at the time of registration. Charges, as may be applicable, may be recovered subject availability of balance either at the time of registration or at a later stage. This is applicable for both physical mandates and E - Mandates

Banks should take immediate measure to implement the necessary changes in the process to improve the success rate mandate registration.

With warm regards,



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