

NPCI/2017-18/NACH/Circular No. 253

November 07, 2017

To

All NACH member banks

Penalty for representation of debit transactions returned for specific reasons

Refer to our circular number 229, on penalty to be imposed for transactions returned with reasons "No such account" & "Account closed". In the last NACH steering committee held on October 04, 2017, it was decided to change the criteria on the following lines;

1. No penalty on returned credit transactions.
2. Penalty is applicable for debit transactions for the following return reasons:
 - i) NACH Debit (ECS) - "Account closed" and "No such account".
 - ii) ACH Debit (306) - "Account closed".

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.

This will be implemented with retrospective effect i.e. from September 01, 2017.

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

With warm regards,



Giridhar G M

(VP - NACH & CTS Operations)