

DCCBS – DEMAND DRAFTS POLICY

1) Nature of Demand draft:

- i) Demand Draft (also known as DD) is a prepaid negotiable instrument wherein the Bank by whom Demand Draft has been issued undertakes the responsibility to make full payment, whenever the instrument is presented for payment.

2) DD Amount Payment:

- i) Demand Draft can be purchased by paying the Bank in cash.
- ii) Demand Drafts for Rs. 50,000/-and above are issued by the Bank only to the debit to the customer's account or against cheque or other instrument tendered by the purchaser and not against cash payment.

3) Procedure for issue of DD:

- i) The purchaser of the DD shall fill up the Demand Draft application form as prescribed by the Bank with all the details like in favor of whom the DD shall be issued, amount of DD in figures and words, payee branch and full address of the purchaser etc.
- ii) The Purchaser shall acknowledge the receipt of DD overleaf of the application form.

4) Validity period of Demand Draft:

- i) As per RBI guidelines the validity period of cheques, demand drafts, pay orders and Bankers' cheques will be reduced from six months to three months from the date of issue of instrument.

5)Payment of Demand Draft:

- i) If the Demand Draft is not crossed the payment would be made by the Bank to the holder of the instrument after his proper identification.
- ii) In case a Demand Draft is crossed, the payment shall be made only to the Bank Account of the Payee.
- ii) It is mandatory for all Demand Drafts above Rs. 20,000/- to be account payee only.

6) Demand Drafts without commission:

- i) No charges shall be levied for issuance of demand drafts /pay orders favoring beneficiaries on account of disbursement of term loans, Retail loans, Housing Loans etc.,

7) Pay orders and Banker cheques:

- i) Pay orders or banker cheques are similar to demand drafts but usually issued within the city/town/the Branch location. These are also valid for 3 months.
- ii) The bank may charge commission for issue of pay orders or Banker's cheques as per the rate applicable to Demand Drafts.

8) Revalidation:

- i) Revalidation of demand draft drawn favoring an individual should normally be considered against request from purchaser of the draft.
- ii) Revalidation of demand draft should be done against request from beneficiary, if the beneficiary is a Central/State Govt. Department or undertakings, university, educational institute etc. for drafts of smaller demonstrations issued for payment of registration charges, exam fees etc. A letter of indemnity from an authorized representative of the beneficiary undertaking should be taken.
- iii) Revalidation should be done only once in the normal course.
- iv) The period of such revalidation would be up to three years from the date of demand draft. Demand drafts, which are more than three years old cannot be revalidated and have to be cancelled.
- v) Revalidation is done on payment of charges, as prescribed by the bank from time to time.
- vi) No Revalidation charges shall be levied at the request of the Government Departments.

9) Cancellation of DD:

- i) In case the purchaser of the DD wants to cancel the Demand Draft, he can submit the request for the same along with the DD to the Branch issued the instrument.
- ii) The Branch would cancel the DD and pay the purchaser the amount of DD by crediting his account.
- iii) The draft cancellation charges, with Service Tax, will be payable by the purchaser as per the rates prescribed by the Bank

10) Issue of Duplicate Demand Draft:

- i) As directed by RBI, the bank may issue duplicate Demand draft up to Rs.5,000/- on the basis of adequate indemnity and without obtaining non-payment advice from the drawee branch.
- ii) As directed by RBI, The bank may issue duplicate demand draft within a fortnight from the date of receipt of request. For the delay in issue of duplicate demand draft beyond the above stipulated period, the bank may pay interest the rate applicable for fixed deposit of corresponding maturity in order to compensate the customer for such delay.

11) Charges on Demand Drafts:

- i) The charges on DDs at present are furnished hereunder and same are subject to revision from time to time.

Demand Drafts Charges plus Service Tax applicable	
i. Issue of a DD	Rs.30 per DD for amounts upto Rs. 10,000; For DD above Rs.10,000 Rs. 3 per thousand rupees or part thereof

	subject to minimum of Rs. 15 and maximum of Rs. 150
ii. Issue of DD by depositing cash	Rs. 5 per thousand rupees or part thereof, subject to minimum of Rs. 100 and maximum of Rs. 15000
iii. Cancellation of draft	Rs. 50/- per DD
iv. Issue of Duplicate draft	Rs. 50/- per DD
v. Re-validation of draft	Rs. 50/- per DD

12) Right to alter or add Rules:

- i) The Bank reserves the right to alter or add to these Rules and such alterations and additions shall be binding. Such alterations will be made known to the customers through Bank website.