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TO ALL OFFICES

Date : 19.09.2023

In Supersession of I&AD Circular  
No. 22/2021 dated 31.05.2021

**INSPECTION & AUDIT DIVISION**  
**CIRCULAR NO. : 48/2023**

Reg : Inter-Sol Transactions in Customers' Accounts.

1. The Reserve Bank of India, under statutory powers vested vide Section 18 of the Payment and Settlement Systems Act, 2007 (Act 51 of 2007), has mandated that all CBS enabled banks must issue only "payable at par" / "multi-city" CTS 2010 Standard cheques to all eligible customers. To facilitate the customers, "CTS-2010 Standard" compliant cheques are issued to the customers in Multicity format with words "Payable at all branches" printed in Hindi & English on top portion of the cheques. The multicity cheque can be paid from any of the branches in CBS network across the counter subject to certain restrictions mentioned hereunder and subject to charges as defined by guidelines issued from time to time by Finance Division.
2. Detailed guidelines on Inter-sol transactions were issued vide IAD circular no 22/2021 dated 31.05.2021. Now consolidated & revised guidelines, duly approved by ORMC during the meeting held on 11.09.2023. are as under:
3. Under CBS Environment, transaction in an account can be made at any of our branches / back offices. In CBS network, all the branches are termed as SOLs. The branch where account is maintained is referred to as "Parent SOL or Base Branch" and other branches are called "Service SOLs or Non Parent SOL or Non Base Branch". *SOL which is maintaining account of neither the Drawer nor the Payee/Endorsee is termed as REMOTE SOL.*
4. The guidelines contained in succeeding paragraphs are applicable for inter-sol transactions in deposit accounts i.e. Saving and Current Accounts, for Intra –bank (transfer within bank) as well as inter- bank (through NEFT/RTGS/IMPS etc.), except paragraph 7 which is applicable for Cash Credit Accounts. These guidelines are subject to fulfilment of following conditions:
  - (a) Cash payment to self/Third party/debit transactions at other than the base branch would be allowed in those accounts only where mobile number is recorded and is enabled for receiving SMS alerts.

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(b) Cash Payment against tender of withdrawals forms at non-base branch is not permitted, even if the withdrawal form is tendered by the account holder himself along with passbook.

(c) Transactions in customer's account can only be initiated on the basis of mandate received through a cheque drawn out of the cheque book issued in the account.

(d) As per instructions issued vide I&AD Circular No. 37/2021 dated 17.07.2021 high value cheque of Rs. 2.00 lakh and above may be confirmed from the account holder telephonically before transfer and cash payment and a noting to this effect be made on the back of cheque leaf to avert fraud.

5. **INTERSOL CASH PAYMENT / DEBIT TRANSFER TRANSACTIONS:** Any transaction initiated at a SOL other than the Base Branch is termed as Inter SOL transaction. In order to provide benefit of inter-SOL facility for genuine and needful purposes to the customers and also to put in place checks & balances to discourage misuse for fraudulent / money laundering / fund diversion purposes, certain restrictions have been placed on Cash Payment at Non Base Branch and Debit Transfer in deposit accounts at a REMOTE SOL, which are defined in following paragraphs.

6. Cash Payment to self / third party at other than the base branch & debit transfer at REMOTE SOL would be allowed, subject to fulfillment of conditions as mentioned in para 4 above, as detailed here under:

	In Saving Accounts	In Current Accounts
Single Inter-SOL Cash payment transaction, in deposit accounts for self drawn cheques	Not exceeding 5 Lac	Not exceeding 5 Lac
3rd party cash payment	Maximum Rs. 50000/- per day	Maximum Rs. 100000/- per day
Debit Transfer at REMOTE SOL	Maximum Rs. 100000/- per day	Maximum Rs. 200000/- per day

7. **INTER-SOL CASH PAYMENTS IN CASH CREDIT ACCOUNTS:** Single Inter-SOL Cash payment transaction not exceeding Rs.1.00 lakh by non base branch may be allowed to the drawer for self drawn cheques of Cash Credit account, subject to fulfillment of conditions as mentioned in para 4 above . The drawer should be asked to write the reasons/purpose on the reverse side of the cheque at the time of permitting cash withdrawal.

8. Aggregate of all Non Base Branch cash payment / Debit Transfer at REMOTE SOL on a single day shall be ascertained by the branch before making the payment. It should not breach the limits defined in para 6 & 7 above.

9. **TENDER OF WITHDRAWAL FORM:** Cash Payment against tender of withdrawal forms at a Non Base Branch is not permitted, even if the withdrawal form is tendered by the account holder himself along with passbook. The conditions as contained in para 4 are to be strictly adhered to in case of inter-sol transactions,

10. **Tender of Cheque out of the chequebooks issued in deposit accounts:** Account holders will be allowed "Single Cash payment transaction, in deposit accounts, not exceeding Rs. Five lacs" at Non Parent SOL or Non Base Branch, against self drawn cheques in following manner:

a) In respect of accounts in the name of individual(s), proprietorship concerns, transaction to be allowed to the account holder against cheque drawn favoring self.

b) In respect of Ltd. Companies, Govt. Agencies, HUF and similar organizations, transaction to be allowed against cheque drawn in favour of their representative, whose identity should be explicit.

(In case customers, for bonafide business requirement, desire higher amount of inter-sol cash payments at selected branches, Regional Manager may permit such higher limit to be utilized at specified branches, on case to case basis, under intimation to such specified branches and the concerned Regional Office under whose jurisdiction the branch/es so specified falls. The Regional Office and the branches so specified will keep a record of all such authorization letters, for future reference.)

11. **Branches would display following notice at a conspicuous place in the Branch:**

"Notice is hereby given to all the customers of the Bank that to safeguard their interest, Single Cash payment transaction in deposit accounts at Non Parent SOL or Non Base Branch or other than Base branch, is restricted to Rs 5 lakh against self drawn cheques. Cash Payment would be allowed at other than the base Branch as detailed here under:"

-in Saving accounts upto Rs. 50000/- in a day.

-in Current accounts upto Rs.100000/- in a day.

Transactions in non-base branch will only be permitted in accounts where mobile number is recorded in the account and is enabled for receiving SMS alerts and only against mandate received through a cheque drawn out of the cheque book issued in the account.

12. **TRANSFER TRANSACTIONS:** Debit transfer transaction in a customer's account can be initiated on the basis of mandate received through a cheque drawn out of the cheque book issued in the account. The *Transfer Vouchers* are meant for branch use only and are not an instrument for use by the customers for carrying out the transactions in their accounts.

13. **TRANSFER TRANSACTION ON THE BASIS OF CHEQUE:** Such transactions involve two legs, one in the account of the drawer of the cheque and the other one in the account of the "Payee" / "Endorsee" of the cheque. These transactions would be entered either at the Drawer's Account SOL or at the Payee's Account SOL only. REMOTE SOL can

enter transactions upto the limits defined in Para 6 subject to fulfilment of conditions as mentioned in para 4 above.

14. These instructions would be applicable in case of accounts in the name of Staff Members also.

15. **CLEARING TRANSACTIONS**: There is no restriction with regard to Clearing Transactions in customers' account at any Service SOL. Hence, a cheque presented in debit clearing by other Bank may be debited at the Service SOL. Similarly, a customer may deposit a cheque at any SOL, drawn on other bank for collection in his account.

16. **INTER SOL TRANSACTIONS IN INOPERATIVE ACCOUNTS**: Inter-SOL transactions in Inoperative Accounts ARE NOT PERMITTED.

17. A report containing all the transactions at a non base branch, is available in Menu Option RRBPT-16 (SO Transaction Report). Which should be generated by the base branch at the end of the day and scrutinize thoroughly for ensuring end use of funds, especially in case of Cash Credit Accounts. In case of deviation, the base branch may take appropriate action including withdrawal of multicity cheque book facility. A number of cases involving diversion of funds have come to light, therefore, branches are advised to generate the said report and the report must be scrutinized by 2<sup>nd</sup> man of the branch every day.

18. All the field Inspectors and Concurrent Auditors are advised to ensure during their periodic visits to branches that the above guidelines are being followed in letter and spirit.

19. All Branch Managers are advised to get these instruction noted from staff members and ensure meticulous compliance.



(Rohit Nijhawan)  
General Manager

