

Important RBI announcement on alterations in cheques



This is with regard to recent guidelines issued by the Reserve Bank of India (RBI) on alterations or corrections on payment instruments (cheques) vide RBI Circular - DPSS.CO.CHD.No. 1832/01.07.05/2009-10 dated 22nd February 2010.

As per the guidelines

- Customers are no longer allowed to alter the Amount or the Payee Name while issuing a cheque
- Cheques with such corrections will no longer be honoured effective 1st July 2010

We would encourage you to advise all of your investors to issue fresh cheques in case they need to make any corrections.

Your customers need to know that cheques with alterations or corrections (despite having their signature next to them) will no longer get cleared by banks after 1st July 2010.