

Government of India
Ministry of Railway
(Railway Board)

RBA No. 40/09

10.2000/ACII/25/12

dated 19.08.09

All CAOs,
All Zonal Railways/ PUs.

Sub: Arrangement of cheques without pre-printed "Account Payee crossing".

Consequent upon the fraudulent encashment of fake cheques purported to be issued by one of the Zonal Railways, a decision was taken by the Reserve Bank of India in consultation with the Ministry of Finance to prohibit honouring of cheques having any correction. However, since cheque stationery on Railways has pre-printed 'A/c payee' endorsement, the matter was taken up with the Controller General of Accounts and Reserve Bank of India to exempt Railway cheques issued in favour of Divisional Cashiers for salary payments etc. with cutting of pre-printed "Account Payee only" endorsement duly authenticated by the authorized signatories, from the above prohibition. Reserve Bank of India has now brought out that the above exceptional arrangement is being used by the Railways very frequently and also that the cheques of very small value are being issued. It has, therefore, been requested to put in place a system to restrict the number as well as frequency of such cheques and to get the cheques without pre-printed "Account payee" crossing. It has also been suggested to switch-over to ECS/EFT mode of payment.

It is, therefore, requested to review the position obtaining on your Railway. Further, needful action may be taken for getting supply of cheque stationery without pre-printed "Account payee" endorsement from the Govt. Security Press, Nasik. The indents for such cheques should be based on anticipated requirement. Adequate precautions may be taken for safe handling of these cheque books to avoid fraudulent encashment /misuse.

B.N. Mohapatra
(B.N. Mohapatra) 19/8/09
Executive Director (Accounts)
Railway Board

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