

Annexure -I

Revised Cheque Collection Policy

With a view to ensure collection of local / outstation cheques within the shortest possible time and to bring in transparency in the mechanism of compensating the customers for any undue delay in collection of outstation cheques, the Bank has revised its cheque collection policy and has redefined the time limits for collection of outstation cheques, which are in tune with the orders passed by the National Consumer Disputes Redressal Commission on 'Timeframe for collection of outstation cheques'. Time limits have also been defined for clearing of local cheques, which is aimed at improving the efficiency of the local cheque clearance. The compensation for delay in collection of cheques has been clearly articulated and has been structured as a step-up process so as to ensure progressive increase in compensation with increase in the period of delay. The limit for affording immediate credit of outstation cheques has also been enhanced from Rs.10000/= to Rs.15000/= with the prime objective of facilitating timely availability of funds to the customers.

The various clauses of the revised cheque collection policy (CCP) are discussed herein below:

i) Immediate credit of local / outstation cheques.

- a) Cheques drawn on Banks own networked branches shall be credited on the same day (day 0) irrespective of the amount of instrument and the location of the branch subject to availability of funds.
- b) In respect of cheques drawn on other banks or Bank's own non-networked branches, immediate credit for cheques not exceeding **Rs. 15000/=** shall be afforded.
- c) The facility shall be made available to individual customer accounts only (SB / CD / CC / SOD) subject the bank / branch being satisfied with the conduct of the account and credit worthiness of the customer.

II) Charges for Immediate Credit:

Immediate credit of an outstation instrument shall be subject to the following charges, which shall be over and above the applicable collection charges as per the Bank's Service Charges Schedule.

Up to Rs. 5000/=	Rs.20/=
Rs.5001/= to Rs.10000/=	Rs.35/=
Rs.10, 001/= to Rs.15, 000/=	Rs.50/=

The above charges shall be on account of interest @ PLR for average transit period (10 Days) allowed for cheque collections.

III) Charging of interest on cheques returned unpaid where instant credit was given :

If a cheque sent for collection, for which immediate credit was provided by the bank, is returned unpaid, the value of the cheque will be immediately debited to the account and interest at TOD rate shall be charged on such amount from the 10th day of its lodgment to the date

of receipt of the dishonored cheque / adjustment of overdraft, if any created in the account on account of such return. The interest so charged, shall be in addition to the cheque return charges applicable to such returns.

Where a cheque, credited to a Savings Bank account, is returned unpaid, the amount of such cheque shall not qualify for calculation / payment of interest by the Bank.

IV) Time frame for collection of Local / Outstation Cheques:

1. Local Cheques:

- a. Local Cheques deposited in the branch / onsite cheque drop-box **upto 1:00 PM** shall be sent for clearing on the same day and cheques deposited **after 1:00 PM** shall be sent for clearing on the next working day.
- b. Local Cheques deposited in the **offsite cheque drop-boxes upto 12:00 Noon** shall be sent for clearing on the same day and cheques deposited **after 12:00 Noon** shall be sent for clearing on the next working day.
- c. Usage of the shadow credit afforded to the customer's accounts shall be allowed immediately after closure of relative return clearing.

2. Outstation Cheques:

The time frame for collection of outstation cheques drawn on other banks as well as those drawn on Bank's own non-networked branches shall be as under:

- a) Cheques drawn on State Capitals: within 7 days from the date of deposit.
- b) Cheques drawn on Major Cities: Within 10 days from the date of deposit.
- c) Cheques drawn on other locations: Within 14 days from the date of deposit.

V) Interest payment for delayed collection (Within India):

In case of any delay in collection of outstation cheques due to negligence of the branch, the Bank shall pay interest / compensation for such delays beyond the specified time periods of 7/10/14 days as under:

A) Deposit Accounts:

1. For delays beyond the specified time periods upto 45 days: At Savings Bank rate.
2. For delays beyond 45 days upto 90 days: At corresponding term deposit rate.
3. For delays beyond 90 days: At 2% above the corresponding term deposit rate.

B) Loan Accounts:

1. For delays beyond the specified time periods upto 45 days: At the rate as applicable to the loan account.
2. For delays beyond 45 days upto 90 days: At 1% above the rate applicable to the loan account.

3. For delays beyond 90 days: At 2% above the rate applicable to the loan account.

VI) Compensation for delay in overseas cheque collection:

The Bank would not compensate the customer for delays in collection of cheques designated in foreign currencies sent to foreign countries, as the bank would not be able to ensure timely credit from overseas banks. It is the bank's experience that time for collection of instruments drawn on banks in foreign countries differ from country to country and even within a country, from place to place. The time norms for return of instruments cleared provisionally also vary from country to country. Bank however, would consider upfront credit against such instrument by purchasing the cheque/instrument, provided the Bank is satisfied with the credit worthiness of the party/beneficiary and the conduct of the account has been satisfactory in the past. For nostro credits of collection items with unclear details / particulars, the Bank will seek a clarification from the remitting / correspondent bank. If the proceeds are not applied (due to unclear/insufficient beneficiary details) within seven days, the same shall be repatriated to the remitting bank on the following working day, without any liability on the part of the Bank. However, the bank will compensate the customer for undue delays in affording credit (despite clear collection details) once proceeds are credited to the Nostro Account of the bank with its correspondent. Such compensation will be given for delays beyond the value date of the credit received in the Nostro Account after taking into account normal cooling period stipulated for the country, as mentioned below: -

USA----- 5 Days
Europe/UK----- 7 Days
Japan----- 10 Days
Australia----- 10 Days

The compensation for such delays will be worked out as follows:

- a) Interest for the delay in crediting proceeds shall be paid as per the interest payment clause applicable to domestic cheques.
- b) Compensation for any loss on account of adverse movement in foreign exchange rates shall be provided to the extent of actual loss suffered by the customer due to delayed application of funds.

VII) Force Majeure:

The bank shall not be liable to compensate customers for delayed credit if some unforeseen event like sabotage, lockout, strike or other labour disturbances, accident, fires, natural disasters, acts of god, war, damage to banks facilities, or of its correspondent banks, absence of the usual means of communication or all types of transportation etc beyond the control of bank prevents it from performing its obligations within the specified service delivery parameters.
