



**ING Vysya Bank Limited**

**Corporate Office: Bangalore**

---

**Policy on Collection of Cheques/Instruments**

**Introduction**

This Cheque Collection Policy of the Bank is a reflection of our on-going efforts to provide better service to our customers and set higher standards for performance. The policy is based on principles of transparency and fairness in the treatment of customers. The bank is committed to increased use of technology to provide quick collection services to its customers. This policy document covers the following aspects:

- a) Collection of cheques and other instruments payable locally, at centres within India and abroad.
- b) Our commitment regarding the time norms for collection of instruments.
- c) Policy on payment of interest in cases where the bank fails to meet time norms for realization of proceeds of outstation instruments.
- d) Our policy on dealing with collection instruments lost in transit.

**2. Arrangements for Collection:**

**2.a. Local Cheques**

All cheques and other Negotiable Instruments payable locally would be presented through the clearing system prevailing at the centre. Cheques deposited at branch counters and in cheque drop boxes within the branch premises before the specified cut-off time will be presented for clearing on the same day. Cheques deposited after the cut-off time and in cheque drop boxes outside the branch premises including off-site ATMs will be presented in the next clearing cycle. After clearing settlement, the bank would credit the proceeds of cheque settled to the customer account. Cheques deposited before the cut-off time on Day 0 will be credited to the customer's account at the end of the Day 1. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the clearinghouse and or on receipt and accounting of the returned cheques.

Bank branches situated at centres where no clearing house exists, would present local cheques on drawee banks across the counter and it would be the bank's endeavour to credit the proceeds at the earliest.

**2.a.i Speed Clearing**

Outstation cheques drawn on banks participating in speed clearing at specified locations will be collected and treated at par with local cheques. All terms and conditions applicable for local clearing instruments will also apply to speed clearing.

## **2.b. Outstation Cheques**

Cheques drawn on other banks at outstation centres other than those covered under 2.a.i above, will normally be collected through bank's branches at those centres. Where the bank does not have a branch of its own, the instrument would be directly sent for collection to the drawee bank or collected through a correspondent bank.

Cheques drawn on the bank's branches at outstation centers will be processed at the branch where the same are deposited and credit will be provided on the same day.

## **2.c. Cheques payable in Foreign Countries**

The services of correspondent banks will be utilized in country/centres where the correspondent has presence. Cheques drawn on foreign banks at centres where the bank or its correspondents do not have direct presence will be sent direct to the drawee bank with instructions to credit proceeds to the respective Nostro Account of the bank maintained with one of the correspondent banks.

## **2.d. Immediate Credit of Local / Outstation Cheques / Instruments:**

Branches / extension counters of the bank will consider providing immediate credit for outstation cheques / instruments (other than cheques where the drawer and payee are the same person) drawn on locations where the bank has its own branches. The facility would also be made available in respect of local cheques at centres where no formal clearing house exists.

Under this policy, prepaid instruments like DD, Interest/Dividend warrants shall be treated on par with cheques. The facility of immediate credit would not be applicable to cheques collected under speed clearing arrangements.

The facility would be offered to all individual accountholders at their base branch only (i.e., the branch in which the account is maintained) against the cheques tendered across the counter or dropped in the cheque drop box located in the branch premises.

The facility of immediate credit will be offered on Savings Bank/Current/ Cash Credit Accounts of the customers. For extending this facility there will not be any separate stipulation of minimum balance in the account.

The maximum credit that can be accorded under this facility to a customer at any given point of time (single or multiple cheques/accounts) is Rs.15,000/- out of which up to an amount of Rs.5,000/- immediate credit would be accorded without insisting for any specific request of the customer.

For the amount where no request is insisted (maximum Rs.5,000/-), the account should be in existence for at least 12 months with satisfactory conduct of the accounts which, for the purpose of this policy shall include compliance to KYC/account opening formalities of the bank, satisfactory operations, maintenance QAB prescribed for the product, non-return of cheques issued and tendered for collection. Where a customer does not require immediate credit he should specifically tick the "Not required" option available on reverse of the pay-in-slip and affix his signature.

For credits where the specific request of the customers is required, the account should be in existence for at least 6 months with satisfactory conduct of the accounts which, for the purpose of this policy shall include compliance to KYC/account opening formalities of the

bank, satisfactory operations, maintenance QAB prescribed for the product, no frequent return of cheques or return of cheques against which immediate credit was accorded on the previous occasions and no overdues from the customer.

This facility would not be provided for accounts in the names of minors, non-resident accounts (NRO & NRE); salary accounts; accounts under the products 'Solo account' and 'saral/no-frills'. The facility would also be not applicable to cheques collected under speed clearing arrangements.

In case the request could not be considered for any reason, the same would be informed to the customer appropriately.

Commission/collection charges as applicable to cheques realized on collection basis would be recovered from the customer.

In the event of dishonor of cheque against which immediate credit was provided, interest shall be recoverable from the customer for the period the bank remained out of funds at the rate applicable for clean overdraft limits.

**2. d.i. 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. Interest where applicable would be charged at the clean overdraft rate on the notional overdrawn balances in the account had credit not been given initially. Interest will not be charged from the date of immediate credit till the date of return, had the customer not withdrawn the funds.

If the proceeds of the cheque were credited to the Savings Bank Account and were not withdrawn, the amount so credited will not qualify for payment of interest when the cheque is returned unpaid. If proceeds were credited to an overdraft/loan account, interest shall be recovered at the rate of 2% above the interest rate applicable to the clean overdraft/loan from the date of credit to the date of reversal of the entry if the cheque/ instrument was returned unpaid to the extent the bank was out of funds.

In addition to interest, cheque return charges would be collected.

**2.e. Purchase of local/outstation cheques**

Bank may, at its discretion, purchase local/outstation cheque tendered for collection at the specific request of the customer or as per prior arrangement. Besides satisfactory conduct of account, the standing of the drawer of the cheque will also be a factor considered while purchasing the cheque.

**3. Time Frame for Collection of Local / Outstation Cheques / Instruments:**

For local cheques presented in clearing, credit will be afforded after clearing settlement i.e., cheques deposited before the cut-off time on Day 0 will be credited to the customer's account at the end of the Day 1. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the clearinghouse and or on receipt and accounting of the returned cheques.

For cheques and other instruments sent for collection to centres within the country the following time norms shall be applied:

- a) Cheques drawn on four major Metro Centres (New Delhi, Mumbai, Kolkata and Chennai), State Capitals (other than those of North Eastern States and Sikkim): Maximum period of 7 working days.
- b) Cheques drawn on Other Metro Centres and major cities : Maximum period of 10 working days,
- c) Cheques drawn on all other Centres : Maximum period of 14 working days.

Cheques drawn on foreign countries: The bank is committed to ensuring that instruments drawn in foreign currencies and payable outside India are collected in the quickest and most efficient manner. Towards this the bank may enter into specific collection arrangements with its correspondent banks in those countries for speedy collection of such instrument(s). Bank would give credit to the party upon realisation of proceeds in the bank's Nostro Account with the correspondent bank after taking into account cooling periods as applicable to the countries concerned.

Country/location specific norms wherever stipulated will be specified for foreign currency instruments and made known to the customers at the point in time of accepting instruments for collection.

The above time norms are applicable irrespective of whether cheques/instruments are drawn on the bank's own branches or branches of other banks.

### **3.a. Payment of Interest for delayed Collection of Outstation Cheques and Cheques Payable outside India**

As part of the [Compensation policy](#) of the bank, the bank will pay interest to its customer on the amount of collection instruments in case there is delay in giving credit beyond the time period mentioned above. Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the bank's own branches or on other banks for the purpose of payment of interest on delayed collection. Further details on the payment of interest are covered in the [Compensation Policy](#) of the bank.

### **4. Cheques / Instruments lost in transit / in clearing process or at paying bank's branch:**

In the event a cheque or an instrument accepted for collection is lost in transit or in the clearing process or at the paying bank's branch, the bank shall immediately on coming to know of the loss, bring the same to the notice of the accountholder so that the accountholder can inform the drawer to record stop payment and also take care that cheques, if any, issued by him / her are not dishonoured due to non-credit of the amount of the lost cheques / instruments. Wherever requested by the customer, the bank would provide assistance to the customer to obtain a duplicate instrument from the drawer of the cheque by providing necessary certificate on loss of the cheque.

In line with the compensation policy of the bank the bank will compensate the accountholder in respect of instruments lost in transit. Further details on payment of the compensation are covered in the [Compensation Policy](#) of the bank.

## **5. Service Charge**

For all collection services the bank will recover appropriate service charges as decided by the bank from time to time and communicated to customer as indicated in the code of banks commitment to customers adopted by the bank.

## **6. Force Majeure**

The bank shall not be liable to compensate customers for delayed credit if some unforeseen event (including but not limited to civil commotion, sabotage, lockout, strike or other labour disturbances, accident, fires, natural disasters or other "Acts of God", war, damage to the bank's facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc beyond the control of the bank prevents it from performing its obligations within the specified service delivery parameters.