



Cheques Collection Policy

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1. Introduction

The policy is based on principles of transparency and fairness in the treatment of customers. SBM Bank (India) Limited (SBMBI) is committed to increased use of technology to provide quick collection services to its customers and a reflection of the bank's on-going efforts to provide better service to our customers and set higher standards for performance. Under this policy, prepaid instruments like Demand Drafts/Bankers' Cheques, pay order Interest/Dividend Warrants shall be treated on par with cheques.

This policy document covers the following aspects:

Collection of cheques and other instruments payable locally, at centers within India and abroad and dealing with collection instruments lost in transit.

The bank's commitment regarding time norms for collection of instruments.

Payment of interest in cases where SBMBI fails to meet time norms for realization of proceeds of outstation instruments.

Other aspects such as dishonor of cheques, third party endorsement, clearing cycle and other relevant cheque collection guidelines.

2. General guidelines

2.1. Account Payee Cheques

SBMBI is not legally permitted to credit the proceeds of 'account payee' cheques to the account of any person other than the payee named therein and accordingly the bank shall not collect 'account payee' cheques for any person other than the payee constituent of the bank.

Where the drawer/payee instructs the bank to credit the proceeds of collection cheques to any account other than that of the payee of the cheque, the bank will ask the drawer/payee to have the cheque (or the account payee mandate thereon) withdrawn by the drawer.

2.2. Bearer Cheque

A bearer cheque can be used to be payable as Cash or bearer with specific name. The cheque is payable over the counter to the bearer or the presenter of the cheque by the drawee bank. A bearer cheque can be transferred to another person. The bank pays the amount upon proper identification of the person while presenting a bearer cheque for encashment. It is necessary for the person whose cash the cheque to sign at the back of the cheque to confirm the receipt of money from the SBMBI branch.

2.3. Order Cheque

Order cheque is a cheque whereby the printed word bearer on the cheque is cancelled. An order cheque can be paid to the named payee across the bank's account if so presented. SBMBI must insist on identification when encashing the order cheque for the presenter. The ID proof number and named payee's signature shall be asked for on the back of the cheque. This facility is given to current account holders only.

3. Types of Cheques

3.1. Local Cheques

All CTS compliant cheques and other Negotiable Instruments payable locally would be presented through the clearing system prevailing at the center (CTS) Cheques deposited at branch counters and in collection boxes /SBMBI's ATM within the branch premises before the specified time will be presented for clearing on the same day. Cheques deposited after the cut-off time and in collection boxes outside the branch premises will be presented on the next working day. The cut-off time will be displayed by the bank on its premises

prominently. If the cheque is received after cutoff time, branch gives acknowledgement to customer with stamp mentioning "Too Late for Today's clearing".

As a policy, the bank would give credit to the customer account on the same day clearing settlement takes place.

Bank branches situated at centers where CTS Grid or no clearing house exists, would present local cheques on drawee banks across the counter and it would be SBMBI's endeavor to credit the proceeds at the earliest.

3.2. Transfer Cheques (Drawn on own branches of the bank)

Collection timings for local cheques drawn on own branches of the bank (transfer cheques):

- Cheques deposited across the counter: Same working day.
- Cheques deposited in Branch/ATM drop box: As per the cut off timings of the respective drop box.
- Cheques collected by Doorstep Banking agency from customer's location: Next working day.
- Cheques drawn on the Bank's own branches at outstation centers will be collected using the inter-branch arrangements in vogue. Branches, which are connected through a centralized processing arrangement and are offering anywhere banking services to its customer will provide same day credit to its customers in respect of outstation instruments drawn on any of its branches in the Core Banking Solution network if received in the branch up to specified time and as per the cut off timings of the respective drop box if deposited / dropped in collection box outside the branch premises including the offsite ATMs.

3.3. Outstation Cheques

Cheques drawn on other banks at outstation centers other than those covered under 2.1 above, will normally be collected through bank's branches at those centers. Where SBMBI 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. SBMBI would also use the National Clearing services offered by the Reserve Bank of India at centers where such collection services exist. SBMBI shall not decline to accept outstation cheques deposited by its customers. SBMBI to give wide publicity to the cheque collection policy by displaying the salient features thereof in bold and visible letters on notice board at its branches.

Cheques drawn on bank's own branches at outstation centers will be collected using the inter-branch arrangements in operation. These cheques are payable at the respective branches only and not at par cheques or deposited in different CTS grid where the said cheque is payable.

The physical copy of the cheque shall be presented to the paying bank as outward bill collection, the paying bank shall remit the funds by DD/RTGS/NEFT. SBM Bank shall collect the funds and give the credit to the customer on receipt of the funds.

3.4. Cheques payable in Foreign Countries

Cheques payable at foreign centers where SBMBI has branch operations (or banking operations through a subsidiary, etc.) will be collected through that office. The services of correspondent banks as per arrangement done by FI & Overseas Business team, will be utilized in country/centers where the correspondent has presence. Cheques drawn on foreign banks at centers where SBMBI or its correspondents do not have direct presence will be sent directly to the drawee bank or collected through a correspondent bank with instructions to credit proceeds to the respective Nostro Account of SBMBI maintained with one of the correspondent banks or presented through the Nostro account for clearing.

4. Timing for Acceptance

4.1. Timing for acceptance of local cheques and Outstation Cheques

Cheques would be accepted during business hours of the Bank branch. Alternatively, cheques can be deposited at ATM centers round the clock, wherever collector boxes are installed. Collection timings for local cheques drawn on other banks (local clearing). The cut-off time for sending cheques for collection would be worked out for each location/ branch based on cut-off time afforded by clearing house at each location. The cut-off timings would be displayed at branches/ ATM for customers.

4.2. Timing for Acceptance of foreign Currency Cheques

Foreign currency cheques/instruments would be accepted during business hours of the Bank branch.

5. Time Frame for Collection of Local/ Outstation Cheques/ Instruments

5.1. Local Cheques/ Instruments

For local cheques presented in clearing credit will be afforded as on the date of settlement of funds in clearing and the account holder will be allowed to withdraw funds as per return clearing norms in operation at that center.

5.2. Outstation Cheques/ Instruments

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

- Cheques (other than payable at par) presented at any of the four major Metro Centres (New Delhi, Mumbai, Kolkata, and Chennai) and payable at any of the other three centers: Maximum period of 7 working days.
- Maximum timeframe for collection of cheques drawn on state capitals/major cities/other locations are 7/10/14 days respectively.
- State Capitals (other than those of Northeastern States and Sikkim): Maximum period of 10 working days.
- In all other Centres: Maximum period of 14 working days

5.3. Foreign Cheques/ Instruments

Such instruments are accepted for collection on the 'best of efforts' basis. SBMBI 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, SBMBI -FI & Overseas Business team 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 realization credit of proceeds into SBMBI's Nostro Account with the correspondent bank after taking into account cooling periods as applicable to the countries concerned.

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

Currency – Normal Cooling Period

**** subject to agreement & arrangement with the respective correspondent Banks**

S.no	Currency	Normal Cooling Period
1.	USD	21 international working days from value date for cheques in NY- USA
2.	GBP	21 international working days from value date for cheques in LON-GBP
3.	EUR	21 international working days from value date for cheques in FRT-GER
4.	JPY	21 international working days from value date for cheques in TOK-JAPAN
5.	MUR	15 international working days from value date for cheques in SBM- MAU
6.	AUD	21 international working days from value date

- Value date is the date of credit to our Nostro account.
- The card rate prevailing on the date of credit to customers account would be the applicable exchange rate.
- The due date is the value date of credit to Nostro account plus normal cooling period as stipulated above
- Foreign currency cheques sent for collection – service charges Commission – shall be based on correspondent bank agreement/arrangement and as defined by FI & Overseas Business team plus other applicable charges. The collection charges are subject to change, from time to time as per Correspondent banking arrangement and internal bank policy.
- Will be handling the cheques of respective currencies where the bank has correspondent banking relationship.
- Maximum time frame for clearing of inhouse cheque (within SBMBI)
- Presented during working hours – Same day.
- Presented after working hours – Next working day.

Maximum time frame for clearing all other bank cheque:

Settlement of CTS clearing happens on T+1 basis and customer can get the funds on next working day subject to clearance from paying Bank.

MICR clearing across the country were subsumed in grid-based CTS clearing and MICR clearing was discontinued with effect from July 2014. As on date, non-MICR clearing houses have been migrated to CTS and non-CTS cheques are discontinued with effect from December 31, 2018.

6. Immediate Credit of Local / Outstation Cheques / Instruments

6.1. Local Cheques

Branches of SBMBI will consider providing immediate credit for outstation cheques / instruments up to the aggregate value of INR 100/- rendered for collection by individual account holders subject to satisfactory conduct of such accounts for a period of 6 months. The facility of immediate credit will be provided against such collection instruments at the specific request of the customer or as per prior arrangement. The facility of immediate credit would also be made available in respect of local cheques at centers where no formal clearing house exists.

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.

In the event of dishonor of cheque against which immediate credit was provided, interest shall be recoverable from the customer for the period SBMBI remained out of funds at the rate applicable for clean overdraft limits sanctioned for individual customers. (The interest will be MCLR/EBLR plus 2 percent per annum prevailing from time to time)

For the purpose of this Policy, a satisfactorily conducted account shall be the one: Opened at least six months earlier and complying with KYC norms.

Conduct of which has been satisfactory and bank has not noticed any irregular dealings.

Where no cheques / instruments for which immediate credit was afforded returned unpaid for financial reasons

Where SBMBI has not experienced any difficulty in recovery of any amount advanced in the past including cheques returned after giving immediate credit.

Bank shall levy normal collection charges and out of pocket expenses while providing immediate credit against outstation instruments tendered for collection. Exchange charges applicable for cheque purchase will not, however be charged.

The facility of immediate credit would not be applicable to cheques collected under speed clearing arrangements.

In case where the instrument of face value exceeding INR100/- is received for clearing and the proceeds of the instruments are credited to the account, in whatever manner, in advance of the date of actual realization of the amount, interest at the rate as applicable for clean advances in addition to the usual service charges shall also be levied for the period for which outlay of funds is involved. This need to be effected with the approval of Business Head and Credit

6.2 Charging of interest on cheques returned unpaid where instant credit was given

If a cheque for which immediate credit was provided by the Bank, is sent for collection and such cheques gets returned unpaid, the value of the cheque will be immediately debited to the account where credit was given. The customer will not be charged any interest from the date immediate credit was given to the date of return of the instrument unless the bank had remained out of funds on account of withdrawal of funds. Interest where applicable would be charged on the notional overdrawn balances in the account had credit not been given initially.

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 overdraft/loan from the date of credit to the date of reversal of the entry if the cheque/instrument were returned unpaid to the extent the bank was out of funds.

7. Purchase of cheques

7.1 Local/ Outstation Cheque

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. Interest/ Charges shall be levied as per the policy of the bank.

7.2 Purchase of Local Cheques, Draft etc., during Suspension of Clearing

On occasions when Clearing House operations are temporarily suspended, SBMBI must take remedial action to minimize the inconvenience and hardship to banks' constituents as also to maintain good customer service. SBMBI shall temporarily accommodate their constituents, both borrowers and depositors, to the extent possible by purchasing the local cheques, drafts, etc., deposited in their accounts for collection, special consideration being shown in respect of cheques drawn by Government departments/companies of good standing and repute, as also demand drafts drawn on local banks. While extending this facility, SBMBI shall however take into consideration such factors as creditworthiness, integrity, past dealings and occupation of the constituents, so as to guard themselves against any possibility of such instruments being dishonored subsequently.

8. Cheques Returned Unpaid

SBMBI shall also adopt a Board approved procedure for dealing with dishonored cheques with inherent preventive measures and checks to prevent any scope for collusion of the staff of the bank or any other person, with the drawer of the cheque for causing delay in or withholding the communication of the fact of dishonor of the cheque to the payee/ holder or the return of such dishonored cheque to him.

SBMBI shall also lay down requisite internal guidelines for their officers and staff and advise them to adhere to such guidelines and ensure strict compliance thereof to achieve aforesaid object of effective communication and delivery of dishonored cheque to the payee.

8.1 Domestic Cheques

SBMBI on receipt of dishonored cheques shall dispatch them immediately to the payee/holder by attaching a cheque return memo, with the return reason. In case the cheques presented directly to the bank settlement by way of transfer between two accounts within the bank is dishonored for any reason, for SBMBI shall return such cheques to the payee/holder immediately. SBMBI to communicate the customer immediately if the cheque is returned through email / letter.

Cheques that need to be re-presented without any recourse to the payee shall be made in the immediate next presentation clearing, not later than 24 hrs. (excluding holidays) with due notification to the customers of such representation.

If a cheque sent for collection for which immediate credit was provided by SBMBI is returned unpaid, the value of the cheque will be immediately debited to the account. The customer will not be charged any interest from the date immediate credit was given to the date of return of the instrument unless SBMBI had remained out of funds on account of withdrawal of funds. Interest where applicable would be charged at the rate applicable for temporary overdraft limits sanctioned for individual customers on the notional overdrawn balances in the account had credit not been given initially.

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 were returned unpaid to the extent SBMBI was out of funds.

In addition to interest, wherever applicable, charges for cheque returned unpaid will be recovered as per Service Charges. These charges are subject to review from time to time.

Cheque return charges will be levied only in cases where the customer is at fault and is responsible for such return. Cheques that need to be re-presented without any recourse to the payee, shall be made in the immediate next presentation clearing not later than 24 hours (excluding holidays) with due notification to the customers of such re-presentation through SMS alert, mail etc. The illustrative, but not exhaustive, list of reasons for return where the customers are not at fault are given in Annexure 2.

8.2 Return of Foreign Currency cheque/ instrument

If the instrument sent for collection is returned unpaid at any time for any reason whatsoever including but not limited to "insufficient funds", "account closed", "fraudulent cheque" etc., the returning and other applicable charges would be recovered from the account in which the cheque has been deposited along with the value of the instrument if already credited.

The customer instructing the Bank to perform services shall be bound by and liable to indemnify the Bank against all obligations and responsibilities imposed by foreign laws and usages. Customers depositing cheques drawn on foreign centers are expected to be aware of usage/practices and laws related to cheques collection prevailing in drawee countries.

The cheques sent for collection by the collecting bank can be returned by the Banks located in any foreign country (after their presentation in clearing/collection) due to fraud/financial reasons. The fraudulent cheques can be returned by the banks in foreign countries at any time after their presentation.

In case of returned cheques, no protection is available to the collecting bank. Since the foreign bank recovers the amount of returned cheques earlier credited into account of collecting bank by debiting its nostro account, the collecting bank will not be able to provide any compensation to the depositor for cheques returned on fraud/financial reasons.

Further, the Bank has right to recover the proceeds of the cheques credited in depositor's account (at the ruling exchange rate equivalent to foreign currency amount debited by foreign bank to the nostro account of the collecting bank) along with the interest from the date of credit of proceeds till the date on which amount is recovered.

9. Arrangements for Collection of Foreign Currency Cheques

Cheques payable at foreign centers will be collected (realized) using services of correspondent banks. Cheques drawn on foreign banks at centers where the Bank does not have cheque collection arrangement with its correspondent banks will be sent directly to the drawee bank for collection with instructions to credit proceeds to the respective NOSTRO account of the bank maintained with one of the correspondent banks. The cheque collection would be conducted within following parameters:

Instruments with value greater than the limits mentioned below will be accepted for processing, to ensure that the charges are always lower than the value of the cheque/instrument. For currencies not mentioned herein, the limits applicable will be USD equivalent. These limits can be reviewed and modified by the Bank. The mode of collection for foreign currency cheques/instruments will depend on the currency, drawee location and the amount of the instrument and would be informed to customer by the Branch. The customer can also refer SBMBI website for applicable modes of collection.

The date of credit to account will be reckoned considering the value date of credit to NOSTRO account or credit to the NOSTRO account plus applicable cooling period.

The exchange rate prevailing on the day of processing will be applied to the customer's transaction.

The charges applicable would depend on the mode of collection under which the cheque/instrument is sent for collection and as mentioned in Schedule of Charges duly updated in our website and with Branches.

The facility of cheque collection for Foreign Currency is subject to agreement/ arrangement as per the Correspondent Bank and revision in charges from time to time. The bank will collect cheques drawn on denominated in specific currencies and drawn on the country of the currency, the detailed procedure shall be incorporated in SOP.

10. Charges applicable for Foreign Currency Cheques

The charges levied for foreign currency cheques depend on the mode of collection for such cheques. The charge schedule is available at the Bank's branches and duly updated on the Bank's website. For foreign currency cheques sent on collection, correspondent bank charges and courier charges as incurred will be additionally levied, wherever applicable.

GST is applicable on all foreign currency conversions and commission value. GST applicable is updated on the Bank's website. In all the above scenarios, in case of any returns, the applicable return charges charged by the correspondent bank, courier charges and any other applicable charges, borne by SBMBI would be debited from the account in which the cheque has been deposited. The charges would be as approved by the concerned Business Head from time to time based on cost of operations, market practice, etc.

11. Payment of Interest for Delayed Collection of Cheques

11.1 Local and Outstation Cheques

As part of the compensation policy of SBMBI, the bank will pay interest to its customer on the amount of collection instruments (both local and outstation) under 7.a, b and c given below 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 SBMBI's own branches or on other banks for the purpose of payment of interest on delayed collection.

Interest for delayed collection shall be paid at the following rates:

At savings interest rate pertaining to that period or as per customer segment rate of interest for the period of delay beyond 7/10/14 days as the case may be in collection of outstation cheques.

Where the delay is beyond 14 days interest will be paid at the rate applicable to for term deposit for the respective period (applicable rate for the period of delay), as published by the bank from time to time.

In case of extraordinary delay, i.e. delays exceeding 90 days interest will be paid at the rate of 2% above the corresponding Term Deposit rate.

In the event the proceeds of cheque under collection was to be credited to an overdraft/loan account of the customer, interest will be paid at the rate applicable to the loan account. For extraordinary delays (above 90 days), interest will be paid at the rate of 2% above the rate applicable to the loan account.

Payment of interest as above would be applicable only for instruments sent for collection in India.

11.2 Foreign Cheques

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. However, the bank will compensate the customer for undue delays in affording credit once proceeds are credited to the Nostro Account of the Bank with its correspondent.

Such compensation will be given for delays beyond one week from the date of credit to Nostro Account/ due date after taking into account normal cooling period stipulated. The compensation in such cases will be worked out as follows:

Interest for the delay in crediting proceeds as indicated below.

Compensation for any possible loss on account of adverse movement in foreign exchange rate.

12. Cheques/ Instruments Lost in Transit/ In Clearing Process of at Paying Bank's Branch for Local and Foreign Cheques

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, SBMBI shall immediately bring the same to the notice of the account holder 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 dishonored due to non-credit of the amount of the lost cheques / instruments.

SBMBI would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque. If the cheque / instrument has been lost at the paying bank's branch, the collecting banker should have a right to recover the amount reimbursed to the customer for the loss of the cheque / instrument from the paying banker. All the support required to the customer to be provided by the collecting banks to the customer.

In line with the compensation policy of SBMBI, the bank will compensate the accountholder in respect of instruments lost in transit in the following way:

In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7/10/14 days as the case may be) and as the case maybe for foreign cheques, interest will be paid for the period exceeding the stipulated collection period at the rates specified above.

In addition, bank will pay interest on the amount of the cheque for a further period of 15 days at savings rate of interest pertaining to that period to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.

SBMBI would also compensate the customer for any reasonable charges he/she incurs in getting duplicate cheque/instrument upon production of receipt, in the event the instrument is to be obtained from a bank/ institution who would charge a fee for issue of duplicate instrument.

The onus of such loss lies with the collecting banker and not the accountholder.

13. Other Guidelines

SBMBI shall extend full cooperation for the purpose of adducing evidence to prove the fact of dishonor of cheque on behalf of a complainant and shall furnish him/her documentary proof of fact of dishonor of cheques.

SBMBI shall place before their Audit/ Management Committee, every quarter consolidated data in respect of the matters referred to above.

13.1 Information on dishonored cheques

Data in respect of each dishonored cheque for amount of 1 crore and above shall be made part of the bank's MIS on constituents and concerned branches shall report such data to their respective controlling office / Head Office on monthly basis.

Data in respect of cheques drawn in favor of stock exchanges and dishonored shall be consolidated separately by SBMBI irrespective of the value of such cheques as a part of its MIS relating to broker entities and be reported to the respective Head Offices / Central Offices.

13.2 Miscellaneous

Cheques which are deposited with wrong account number mentioned on the Pay-in slip, Bank will return such cheques to the customers on the address mentioned within 48 working hours however in cases with incomplete address, incomplete phone number, no phone number mentioned on the Payin slip, the bank will keep these instruments for a maximum period of 3 months.

Cheques received back unpaid will be returned by post/ courier etc. to the customer within 24 working hours on the address recorded in Bank's database. However, these will be kept in the Bank for returning to the customer over the counter if he/she makes a request for the same. If not collected by the customer within 15 days bank will send them back at the recorded address by post or courier.

14. Electronic Clearing Service Mandates (ECS)

In case of ECS (Debit) customer gives mandate for debiting his account for payment of various bills such as Telephone, Electricity, and Insurance Premium and also for repetitive debit in his account. This mandate is to be registered in the system after verification of the signature. Branches are to generate mandate serial no. through the system which is to be mentioned on the physical mandate letter for future reference. Branches should send a letter to user institution /service provider enclosing a photocopy of the Mandate letter (Original to be retained with the branch) requesting for User Debit Reference (UDR) number and mentioning that the mandate will become effective only upon receipt of UDR No. A copy of this letter should be endorsed to the account holder for information.

Procedure for return of ECS (Debit): ECS debits are returned when there is no sufficient balance in the account, closure of accounts, or there is discrepancy in account particulars. In case where ECS debits are returned for want of funds 6 times in a particular financial year, the branch should issue notice and the ECS mandate should be treated as revoked under advice to the user institution/ service provider. Also the branch may consider closing the account at its discretion by giving suitable notice to the customer. In the event of accounts already closed, branch should inform their customer by sending Registered /A.D letter on the last recorded address about return of ECS (debit) on account of closure of his/her account. In the event of discrepancies in the particulars due to which ECS debits are returned, branch should invariably contact the customer and inform him/her to update the particulars of his account with the respective organization. (the procedure for the cheque clearing to be adopted for ECS)

15. Service Charges

For all collection services SBMBI will recover appropriate service charges as decided by SBMBI from time to time and communicated to customer as indicated in the code of banks commitment to customers adopted by the bank and the same charges should be displayed on Banks website.

16. Acceptance of Cheques bearing a date as per National Calendar for Payment

As the Government of India has accepted Saka Samvat as National Calendar with effect from 22 March 1957, an instrument written in Hindi having date as per Saka Samvat calendar is a valid instrument. SBMBI shall accept cheques bearing date in Hindi as per the National Calendar (Saka Samvat) for payment. The bank can ascertain the Gregorian calendar date corresponding to the National Saka calendar in order to avoid payment of stale cheques.

17. Third Party Endorsement

Reserve Bank of India has prohibited banks from crediting 'account payee' cheque to the account of any person other than the payee named therein. SBMBI shall not collect account payee cheques for any person other than the payee constituent.

18. Payment of Cheques beyond the period of 3 months from the date of Instruments

The Bank shall not make payment of cheques/drafts/pay orders/banker's cheques bearing that date or any subsequent date, if they are presented beyond the period of three months from the date of such instrument.

19. Cheque Drop Box facility

Both the drop box facility and the facility for acknowledgement of the cheques at regular collection counters shall be available to the customers and no branch should refuse to give an acknowledgement if the customer tenders the cheques at the counters.

SBMBI ensures that customers are not compelled to drop the cheques in the drop-box. Further, in the context of customer awareness in this regard, SBMBI invariably display on the cheque drop-box itself that "Customers can also tender the cheques at the counter and obtain acknowledgment on the pay-in-slips". The above message is displayed in English, Hindi and the concerned regional language of the State. SBMBI makes arrangements accounting for the number of instruments each time the box is opened so that there are no disputes and the customer's interests are not compromised.

The customer can deposit the cheques at ATM of SBM / Collection boxes

20. Additional Service offerings for Cheque Collection

The Bank may offer the following services for Cheque Collection to the Customer at a later date.

Cash Management Services

Door-Step Banking

The Management may formulate operational guidelines for the same that are regulatory compliant.

21. Force Majeure

SBMBI 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 labor disturbances, accident, fires, natural disasters or other "Acts of God", war, damage to SBMBI'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 SBMBI prevents it from performing its obligations within the specified service delivery parameters.

22. Cheque Collection Policy Reviews

The Cheque Collection Policy will be reviewed at least annually. Further, inputs from the MD & CEO will also be sought at the time of each review.

23. Policy Amendment Authority

SBMBI's Risk Management Committee (RMC) of the Board of Directors may review the policy on an annual basis and approve any changes or amendments to the policy. The regulatory guidelines take precedence over the provisions of this policy and the policy will be stand amended with immediate effect and subsequently reviewed by the RMC to avoid any conflict between the regulatory guideline and the policy.

24. List of Acronyms

CTS	Cheque Truncation System
MIS	Management Information System
ECS	Electronic Clearing System

25. Regulatory Reference

The relevant RBI sources that are referred in this policy supplement are as under –

RBI/2015-16/59 DBR No.Leg.BC.21/09.07.006/2015-16 dated July 1, 2015 – Master circular on Customer Service in Banks.

Any updates in the relevant RBI Directions/Circulars with regards to Cheque / Draft / Payment Order collection would supersede the policy supplement statements given above and would accordingly need to be incorporated in the next revision in the supplement.

26. Positive Pay.

1. The concept of Positive Pay involves a process of reconfirming key details of large value cheques. Under this process, the issuer of the cheque submits electronically, through channels like SMS, mobile app, internet banking, ATM, etc. **With SBMBI the functionality of positive pay is available through Mobile Banking (MB), Internet Banking (RIB & CIB) as well as customer visiting the branches.**

For SBMBI there are certain minimum details of the cheque that are required like Cheque date, name of the beneficiary / payee, amount, cheque number, MICR code & transaction code. These details which are entered by the customer are cross checked with the presented cheque by CTS. Any discrepancy is flagged by CTS to the drawee bank and presenting bank, who would take redressal measures. **At SBMBI Central Operations team is able to view the details using VSOFTE application.**

2. National Payments Corporation of India (NPCI) has developed the facility of Positive Pay in CTS and made it available to all participant banks. **SBMBI in turn, has enable it for all account holders issuing cheques for amounts of ₹50,000 and above.** While availing of this facility is at the discretion of the account holder, banks may consider making it mandatory in case of cheques for amounts of ₹5,00,000 and above. **For SBMBI the mandatory limit has been kept**

as 5,00,000/- If the customer does not provide the necessary details under Positive Pay the cheque will be returned for the reason “Advice not received”.

3. Only those cheques which are compliant with above instructions will be accepted under dispute resolution mechanism at the CTS grids. Member banks may implement similar arrangements for cheques cleared / collected outside CTS as well. **SBMBI doesn't have any such arrangement for cheques cleared / collected outside CTS.**

4. Banks are advised to create adequate awareness among their customers on features of Positive Pay System through SMS alerts, display in branches, ATMs as well as through their web-site and internet banking. **SBMBI is sending emailer/ SMS to customer to make them aware and educate about the Positive Pay System.** Also, the details of the Positive Pay service is mentioned in the monthly statement sent to customers.

27. Annexure –

Reasons for Return of Cheques

Code No.	Reason for Return
33	Instrument mutilated; requires bank's guarantee
35	Clearing House stamp / date required
36	Wrongly delivered / not drawn on us
37	Present in proper zone
38	Instrument contains extraneous matter
39	Image not clear; present again with paper
40	Present with document
41	Item listed twice
42	Paper not received
60	Crossed to two banks
61	Crossing stamp not cancelled
62	Clearing stamp not cancelled
63	Instrument specially crossed to another bank
67	Payee's endorsement irregular / requires collecting bank's confirmation
68	Endorsement by mark / thumb impression requires attestation by Magistrate with seal
70	Advice not received
71	Amount / Name differs on advice
72	Drawee bank's fund with sponsor bank insufficient (applicable to sub-members)
73	Payee's separate discharge to bank required
74	Not payable till 1st proximo
75	Pay order requires counter signature
76	Required information not legible / correct
80	Bank's certificate ambiguous / incomplete / required
81	Draft lost by issuing office; confirmation required from issuing office
82	Bank / Branch blocked
83	Digital Certificate validation failure
84	Other reasons-connectivity failure
87	'Payee's a/c Credited' - Stamp required

