

Cheque Collection Policy

Scope: DBS Bank India Branches (Including eLVB Branches).

Issuer: GTS & T&O

Version: 2.0

1 Introduction and Guiding Principle

The Bank's Cheque Collection Policy reflects on-going efforts to provide best in class 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. We are committed to increased use of technology to provide quick collection services to our customers. This policy document covers the following aspects:

- Collection of cheques and other instruments payable at centres within India and abroad
- Our commitment regarding time norms for collection of instruments
- Payment of interest in cases where there is delay beyond time norms in realization of proceeds of outstation instruments/local cheques
- Dealing with collection instruments lost in transit

This policy is applicable for all DBIL Branches (including erstwhile Lakshmi Vilas Bank / eLVB Branches). A copy of the Cheque Collection Policy (CCP) shall be made available to the customer upon request. Additionally, the CCP shall be displayed on the Bank's website and be made available in the Branch Notice Board Files.

2 Policy

Arrangements for Collection

It may be noted that the Account Payee Cheques will only be credited to Account Holder's account and will not be credited to any Third-Party Account.

Local Cheque Collection

All CTS compliant cheques and other Negotiable Instruments which are payable under a grid system locally would be presented through the clearing system prevailing at the centre. Cheques deposited at our branch counters within branch timings on weekdays and working Saturdays, will be presented for clearing on the same day and cheques/instruments deposited after the cut-off time will be presented in the next working day's clearing cycle. As a policy, the Bank would give credit to the customer account on the same working day the clearing settlement takes place (i.e., the next working day of cheque/instrument presentation in clearing).

The above time frame is not applicable if there has been any discrepancy in the cheques / instruments. The branch cut-off timings for acceptance of cheques/instruments and the list of centres can be obtained from the DBS branches.

Non-CTS instruments presented at CTS locations will be sent for collection using any other means for the collection of non-CTS cheques. However, there will be no separate session for non-CTS instruments under CTS clearing. All banks have been advised to make all efforts for withdrawal of all non-CTS cheques issued to customers so that they are phased out and only CTS-2010 cheques are used by customers. RBI has also mandated Banks to ensure all their branches to participate in image-based CTS under respective grids.

Collection timings for local cheques drawn on own branches of our Bank (Transfer Cheques) – all such cheques deposited across the Bank's counters will be credited on the same day.

Outstation Cheque Collection

Cheques drawn on other banks at outstation centres, which cannot be collected locally, such as CTS Compliant cheques will be presented for clearing through another grid where it participates (different from the place of deposit), for example Co-operative Banks which participate in only a particular CTS grid. For any non-CTS Compliant cheques, the same will be sent for collection through the Bank's branches at those centres. The credit for CTS-compliant outstation cheques will be provided within 2 working days.

The credit arrangement is given assuming that cheques are deposited on Day 0 within cut-off timings applicable at the branch of deposit. For cheques received after the cut-off, the next working day will be considered as Day 0.

If the cheque is drawn on a Bank which does not participate in CTS Clearing, the cheque will be sent to the Drawee Bank on collection basis. The credit for such cheques is usually received within 10 working days.

The branch cut-off timings for acceptance of cheques and the list of centres can be obtained from the DBS branches.

Foreign Currency Cheque Collection

The Bank will receive foreign currency cheques from customers at designated counters of DBS branches. Such cheques would be sent to respective Correspondent Banks' Mumbai office for collection under Cash Letter arrangement. Upon sighting credit in Nostro, credit would be passed (on clear funds basis) to customers account as per currencies mentioned below –

- For USD: If Cheque is drawn on NY (New York) city then on 14th calendar day from credit date in Nostro, after Cooling Period. If Cheque is drawn outside NY city then on 21st calendar day from credit date in Nostro, after Cooling Period.
- For SGD: Next working Day from credit date in our Nostro
- For GBP: Next working day from credit date in our Nostro
- For Other Currencies: Next working day from credit date in our Nostro if credit is on clear funds basis.

If derived calendar day is a holiday in India, then next working day (except Saturday) would be taken as final credit day. In case of cheque is returned later due to any reason, customers account would be debited for the equivalent FCY amount. In case the credit into the customer account is delayed beyond the due dates specified above, the compensation will be paid as per the prevailing Domestic Savings Bank interest rate for the period of delay. FCY Cheques are cleared for DBS India customers however as a collecting bank DBS India also clears SGD drafts issued by DBS Singapore.

Interest Payment for Delayed Collection

DBS Bank shall pay to its customers interest on delayed credit for the period of delay beyond the time frames mentioned above. Compensation will be paid for the period of delay without any claim required from the customer as per the Bank's Compensation Policy guidelines.

Immediate Credit for cheques accepted for Outstation Clearing

For non-CTS Compliant cheques which cannot be sent for CTS Clearing through any of the CTS Grids, DBS Bank will consider providing facility of immediate credit for outstation cheques up to the aggregate value of Rs.15,000/- to individual account holders. This facility will be provided to customers who have an account with the Bank for a period of more than 1 year and have complied with the Bank's KYC

norms. The facility of immediate credit will be provided only upon a specific request made by the customer. DBS Bank shall recover charges, as stipulated, and charge interest at the Marginal Cost Lending Rate (1 month) (as applicable at the time of the availing of the facility) for the immediate credit facility till the actual receipt of funds by the Bank. DBS Bank will consider providing facility of immediate credit for outstation cheques to corporate customers as per agreement with respective corporate customer.

Dishonour / Return of Cheques

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, apart from recovering the applicable charges, and interest thereof. The above arrangements will be applicable for all customer cheque deposits other than those who avail specific Cash Management facilities with the Bank. Dishonoured instruments are returned / despatched to the customer promptly without delay, in any case within 24 hours. Further,

1. 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. Bank shall charge interest at Clean Advances rate for the period the bank was out of funds.
2. If the proceeds of the cheque were credited to the Savings Bank Account and was not withdrawn, the amount so credited will not qualify for payment of interest when the cheque is returned unpaid.
3. If proceeds were credited to an overdraft/loan/credit card 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 was returned unpaid to the extent the bank was out of funds.
4. If a cheque sent for collection for which the bank has provided credit is returned unpaid, the value of the cheque will be immediately debited to the account even if the account goes to debit balance because of this debit and the outstanding balance shall be treated as any other clean overdraft. Bank shall charge interest at Clean Advances rate for the period the bank remains out of funds.
5. Bank shall also charge "Cheque Return Charges" at rates applicable from time to time, duly adhering to RBI guidelines.

Cheque Lost in Transit

In the event a cheque or an instrument accepted for collection by the Bank is subsequently lost in transit, the Bank, on coming to know of the loss, shall immediately inform the customer so that the account holder can inform the drawer to record stop payment and can also take care that other cheques issued are not dishonoured due to non-credit of the amount of the lost cheques / instruments. The Bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque. The Bank will not levy additional charges for the replacement instrument sent into clearing or on collection. The Bank would compensate the customer for any direct and reasonable charges the customer incurs in getting duplicate cheques/ instruments, upon production of relevant documentary proofs and also interest for reasonable delays occurred in obtaining the same in line with the Bank's Compensation Policy.

Further, Bank will attempt to take care that other cheques issued by him are not dishonoured due to non-credit of the amount of the lost cheques / instruments. The onus of such loss lies with the collecting banker and not the account holder.

Force Majeure

Force Majeure Event means acts of God, flood, drought, earthquake or other natural calamity or condition, disaster, epidemic or pandemic, terrorist attack, war or riots, nuclear, chemical or biological contamination, industrial action, power failure, computer breakdown or sabotage, and collapse of buildings, fire, explosion or accident or such other acts which are beyond reasonable control of the Bank.

Performance of obligations of the Bank shall stand suspended for as long as the Force Majeure Event or circumstance continues to make the performance impossible. On a best effort basis Bank is committed to take reasonable action(s) to minimize the consequences of a Force Majeure Event. In case of any industrial action, power failure, computer breakdown or sabotage, Bank shall take reasonable steps to reduce delay in provision of its services and endeavor to provide uninterrupted services to its customers.

Governance

3.1 Ownership and Approving Authority

DBS Bank India Ltd. (DBIL) is a Wholly Owned Subsidiary (WOS) of DBS Bank Ltd (DBL) headquartered in Singapore. As a matter of sharing best practices DBIL will draw on experience and expertise of DBL when dealing with complex, long tenor, large or important transactions to ensure that the minimum acceptance criteria of the Group is complied with.

This Policy shall be owned by Issuer and approved by the Bank's Board.

3.2 Deviations

Any deviations, including any addenda, if any, shall be on an exceptional basis and must be documented by Issuer and approved by Bank's Board. Any changes that are not substantive, but incidental or administrative in nature, do not require a sign-off by the approving authority. Cheque collections for corporate customer will be as per the terms agreed with the corporate customer at the time of offering the service.

3.3 Review

This Policy should be reviewed on yearly basis (with a grace period of up to three months) or when material changes are required/appropriate to ensure continued relevance.

Appendix 1 Record of Deviations

Effective Date	Section	Endorsed by & Endorsement date	Approved by & Approval date	Deviation Description	Reason for deviation
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dd mm yyyy	Section in this document where deviation occurs	Endorsement by Group/Country Head of the Unit/Function that applied for the deviation Endorsement date: dd mm yyyy	Approval by document owner for the deviation Approval date: dd mm yyyy	This describes the deviation applied to the section	This explains the reasons for the deviation
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Appendix 2 Version History		
Version	Date of Issue	Summary of Key Changes
1.0	May 2019	First issue (following incorporation of DBS India as a Wholly Owned Subsidiary)
2.0	February 2022	Reference to list of branches has been removed to make the policy applicable to all DBIL branches. The language has been updated to reflect the current cheque clearing where most of the banks participate in CTS Clearing.