



CHEQUE COLLECTION POLICY

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1. CHEQUE COLLECTION POLICY

This collection policy of the bank reflects our ongoing 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 increasing the use of technology to provide quick collection services to its customers.

Keeping in view the technological progress in payment and settlement systems and the qualitative changes in operational systems and processes that have been undertaken by a number of banks, the Reserve Bank of India had, with effect from 1st November 2004, withdrawn its earlier instructions to commercial banks on (i) Immediate Credit of local/outstation cheques, (ii) Time Frame for Collection of Local / Outstation Instruments and (iii) Interest Payment for Delayed Collection. The withdrawal of these mandatory guidelines was expected to enable market forces of competition to come into play to improve efficiencies in collection of cheques and other instruments.

The following policies related to Arrangements for Collection apply:

1.1 Local Cheques

All cheques and other Negotiable Instruments payable locally would be presented through the clearing system prevailing at the centre (the centre" mentioned here is in view of the different practices followed at different locations. Though a large part of India has been covered in 3 grids of NPCI CTS clearing - there are locations where non MICR clearing is still conducted. Cheques deposited at branch counters before the specified cut-off time will be presented for clearing on the same day. Cheques deposited after the cut-off time will be presented in the next clearing cycle. As a policy, bank would give credit to the customer account on the same day clearing settlement takes place. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the clearing house (maximum second day).

1.2 Outstation Cheques

Cheques drawn on other banks at outstation centres will normally be collected through bank's Correspondents at those centres and where the Bank's correspondent do not have a branch, the instrument would be directly sent for collection to the drawee bank directly. However, where National Clearing services offered by the Reserve Bank of India is available, instruments would be collected using the National Clearing Services.

The time period for collection of outstation cheques would depend upon the type of location categorized as follows- State capitals/ major cities / other locations will be 7/10/14 days respectively. Such cheques would be sent to drawee bank on next working day.

1.3 Cheques payable in Foreign Countries

Cheques payable at foreign centres where the bank has branch operations (or banking operations through a subsidiary, etc.) will be collected through that office. 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 Doha Bank maintained with one of the correspondent banks.

1.4 Immediate Credit of Local / Outstation Cheques / Instruments

Branches of the bank will consider providing immediate credit for outstation cheques / instruments up to the aggregate value of Rs.5,000 tendered for collection by individual account holders subject to satisfactory conduct of such accounts for a period not less than 6 months. Immediate credit will be provided against such collection instruments as per specific request and at bank's discretion. Such requests shall have to be approved by Head of Operations (India) or Country Manager, India, or Head of Corporate Banking (India).

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.

Under this policy, prepaid instruments like Demand Drafts drawn by our branches and Interest / Dividend warrants payable at par shall be afforded immediate credit.

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 overdraft limits sanctioned for individual customers.

For this policy, a satisfactorily conducted account shall be the one –

- a. Opened at least six months earlier and complying with KYC norms of the bank.
- b. Where no cheques / instruments for which immediate credit was afforded returned unpaid for financial reasons
- c. Where the customer has repaid the amount advanced on the respective due dates and has also forthwith returned the money due on account of cheques returned unpaid where immediate credit has been accorded.

Bank shall levy normal collection charges as below and out of pocket expenses like courier and other charges, if any, while providing immediate credit against outstation instruments tendered for collection. These charges are subject to change without prior notice and is available at the Bank's web site.

1.5 Cheque returns charges

Please refer to the latest tariff of charges manual for all details related to cheque return charges.

1.6 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. The approval for such purchases shall be accorded either by Head of Operations (India) or Country Manager, India, or Head of Corporate Banking (India).

1.7 Time Frame for Collection of Local / Outstation 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 vogue, (maximum second day).

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

Timeframe for collection of cheques drawn on State capitals / major cities / other locations will be 7 / 10 / 14 days respectively. If there is any delay beyond this period, interest will be paid as given under para 4 below.

Cheques drawn on foreign countries: Such instruments are accepted for collection on 'best of efforts' basis. Bank may enter specific collection arrangement with its correspondent bank for speedy collection of such instrument. Bank would give credit to the party on credit of proceeds to the bank's Nostro Account with the correspondent bank after considering cooling periods as applicable to the countries concerned. The normal cooling period for Asia, North America and Europe would be 14 days and for others, 21 days from the date of credit to the Nostro.

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

1.8 Payment of Interest for delayed Collection of local and Outstation Cheques

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. The amount to be paid shall be as per Doha Bank India Branch Compensation for Delayed Payments Policy.

1.9 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 account holder so that the account holder 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. The bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.

The bank will compensate the account holder in respect of instruments lost in transit in as per Doha Bank India Branch Compensation for Delayed Payments Policy.

1.10 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, 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, etc. beyond the control of the bank prevents it from performing its obligations within the specified service delivery parameters.

1.11 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. 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.

1.12 Service Charge

For all collection services, the bank will recover appropriate service charges as determined by the latest tariff of charges manual.