

Policy and Procedure on Cheque Collection and Immediate Credit of Outstation Cheques

1) Local Cheques

All cheques and other negotiable instruments payable locally would be presented through the clearing system prevailing at the centres. Cheques deposited at branch counters and in collection boxes within the branch premises before the specified cut off time will be presented for clearing on the same day subject to instrument is otherwise in order with all technical aspect. Cheques with discrepancy will not be presented and returned to the customer through depositing branch.

The cut off timings varies from branch to branch. The applicable cut off timings is displayed on the cheque drop box and in branches for the benefit of customers.

Cheques deposited after the cut off time and in collection boxes outside the branch premises including off site ATMs will be presented in the next clearing cycle. We would give credit to the customer account on the same day or maximum by the subsequent working day, from the time clearing settlement takes place. Withdrawal of amounts so credited would be permitted as per the cheque return of the clearing house.

2) Outstation Cheques

Proceeds of outstation cheques will be credited to customer account as per the norms outlined below.

Cheques drawn on other banks at outstation centres 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. The bank would also use the National Clearing Services offered by RBI at centres where such collection services exist. Cheques drawn on bank branches at outstation centers will be collected using inter-branch arrangements in vogue.

1. Cheques drawn on Metro / Non-metro cities where HDFC Bank has a branch, credit will be given on receipt of clear funds. Funds will be credited to the client account once in a day as part of the beginning of day credit release:

a) Collection of other Bank cheques between Main metros (Mumbai, Chennai, Kolkata, New Delhi) and state capitals (other than those of North Eastern states and Sikkim): 7 working days for collection.

b) Major cities : Maximum period of 10 working days.

c) In all other centres where we have branches: maximum period of 14 working days.

2. Cheques drawn on non-branch locations where we have a tie-up with correspondent bank, and where we do not have tie up with correspondent bank: maximum 14 working days.

Charges will be applicable on the above as defined from time to time in the Schedule of Charges for each of the products.

*Working Days - Working Days means excluding Sundays and bank holidays at the respective centres.

3) Speed Clearing.

Reserve Bank of India has introduced a new clearing mechanism called "SPEED clearing" with the objective to reduce the time for collection of outstation cheques by leveraging the technological advantage arising out of implementation of Core Banking Solution (CBS) in banks.

The speed clearing mechanism facilitates clearance of outstation cheques at the source /deposit location itself and there would be no movement of physical cheques to the destination / drawee location. The complete process of payment including debits to client accounts and verification of signatures etc. is handled by the branch at deposit location subject to drawee bank has implemented core banking solution and participating into Speed clearing. With effect from January 01, 2010 HDFC Bank has implemented the Speed clearing at all the locations.

4) Payable at par Chequebooks

a) Payable at par / multi-city CTS 2010 standard cheques are issued to all customers. There will be no value cap for PAP cheque issuance and no charges will be levied for payment of PAP cheques.

b) Delayed clearing cycle for non CTS 2010 standard cheques.

Separate clearing sessions are conducted in all three CTS centers (Mumbai, Chennai and New Delhi) for clearing of such residual non-CTS 2010 instruments (including PDC and EMI cheques) from November 2014 onwards, RBI/NPCI conducts such separate session weekly once (every Monday). If the identified day for clearing non-CTS-2010 instruments falls on a holiday under the Negotiable Instruments Act, 1881, presentation session on such occasions will be conducted on the previous working day.

With effect from 1st Sept 2018 separate session is being done once a month on the second Wednesday of the month and will be discontinued with effect from December 31, 2018. Post this date, such Non CTS instruments can be presented in Non MICR clearing locations

5) 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 directly to the drawee bank in certain cases to credit proceeds to the respective Nostro Account of the bank maintained with one of the correspondent banks.

Cooling period of major currencies which is in vogue is indicated below.

Currency	Normal Cooling Period
USD cheques	5 international working days from value date for cheques payable in New York
	16 international working days from value date for cheques payable outside New York
GBP Cheques	14 international working days from value date
EUR Cheques	2nd international working day from value date for cheques payable in Frankfurt
	15 international working days from value date for cheques payable outside Frankfurt

AUD Cheques	10 international working days from value date
CAD Cheques	11 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 customer 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.
- Customer will be paid interest (as per Saving Bank Rate) on the value of the cheque from the date of sighting credit in our Nostro account till such time customer's account is credited.

Note:

Foreign currency cheque/instrument sent for collection to the Payee bank through Correspondent Bank located outside India can be returned by the Payee bank even after crediting the proceeds to depositor's account after cooling period, for whatsoever reason including but not limited to "insufficient funds", "account closed", fraudulent cheque" etc as per prevailing clearing rules / laws related to cheque collection in drawee countries.

In case of such cheque returns, the Payee bank recovers the amount of returned cheque, thus credited earlier, by debiting the HDFC Bank's Nostro account. HDFC Bank has the right to debit the depositor's account to the extent of returned cheque amount immediately (at the prevailing exchange rate) along with charges and interest at overdue rate from the date of credit of proceeds till the date on which amount is recovered from the depositor.

Instant Credit of Foreign Currency Cheques:

Instant Credit will be provided for Foreign Currency Cheques of value USD 100 or equivalent for currencies: USD, GBP, EURO, CAD and AUD.

Instant credit for FCY Cheque will be given subject to satisfactory conduct of the account and customer meeting below eligibility criteria:

- Value of cheque shall not exceed USD 100 or equivalent (on the date of deposit), for currencies - USD, GBP, EURO, CAD and AUD.
- The beneficiary account shall be at least 12 months old.
- NIL cheque returns in the account issued by customer in the last 6 months.
- Average Quarterly Balance as per product offering maintained for the last 2 quarters.
- Instant credit facility will not be given to overdraft / loan account.
- No cheque purchased under instant credit earlier should be outstanding / pending for collection or returned unpaid.
- The facility will be provided only for those cheques, which are payable in currencies & country where HDFC Bank has correspondent bank tie-up for collection of foreign currency cheques.

For all such cheques a charge of Rs.50/- per cheque will be charged to the customer, over and above normal charges.

Cheque returns and charging of interest on cheques returned unpaid where instant credit was given:

- If the cheque is returned unpaid, the value of the cheque will be immediately debited to the account at prevailing TT selling card rate along with SB interest rate plus 2% for the period i.e. from the date of instant credit to the date of debit to the account.
- Cheque return charges applicable for foreign currency cheques will be levied

6) Compensation Policy

Payment of Interest for delayed collection of Local Cheques

Interest at Saving Bank rate will be paid to the customer on the amount of the clearing instrument and for the period of the delay in case there delay in giving credit beyond the time period mentioned above after the cheque is presented in clearing subject to the cheque being otherwise in order.

The interest shall be paid without any demand from customers. However bank will not be liable for compensation if clear funds are delayed due to unavoidable circumstances like riots, bandh, delay in return presentation by drawee bank, etc.

Payment of Interest for Delayed Collection of Outstation Cheques

As part of the compensation policy, interest will be paid to the customer on the amount of the collection instrument in case there is delay in giving credit beyond the time period mentioned above. The interest shall be paid without any demand from customers.

a) Saving Bank rate for the period of delay beyond the normal stipulated time of 7/10/14 days as the case may be in collection of outstation cheques.

b) Where such delay is beyond 14 days interest will be paid at the rate applicable to for term deposit for the respective period.

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

At certain locations where bank has no branches, the instrument would be directly sent for collection to the drawee bank or collected through a correspondent bank. On account of any unjustified delays on part of the drawee bank in sending the proceeds to the collecting bank i.e. HDFC Bank, HDFC Bank would not be liable to pay any compensation to the customer, beyond 14 working days.

Bank would share/notify customers on demand, of the cheques that are delayed by the drawee banks.

Payment of Interest for Delayed Collection of Foreign Currency Cheques

Customers will be compensated for delay in collection of Foreign Currency Cheques by way of interest. Such interest will be paid to the customer for cases where there is delay beyond one week of stated collection period, without any demand from customers.

The interest shall be paid on the actual amount that is credited to the customer account on realisation of the cheque, as following:

- Saving Bank rate for the period of delay up to 30 days from the agreed date of realisation
- Where such delay is beyond 30 days interest will be paid at the rate applicable to for term deposit for the respective period (up to 90 days).
- In case of extraordinary delay, i.e. delay exceeding 90 days, interest will be paid at the rate of 2% above the corresponding Term Deposit rate

For certain currencies HDFC bank does not have any correspondent bank arrangement for collection. Such instruments are sent on "collection-basis" directly to the drawee bank for collection. Above compensation policy does not cover the same, as there is no definite time period for realisation of such cheques.

7) (i) Immediate Credit of Outstation cheques.

As per the Bank's current policy, immediate credit is being provided against outstation collection instrument at the specific request of the customer or as per prior arrangement, which is as per the IBA Model Cheque Collection Policy.

BCSBI has made certain observations and suggestions on the Model Policy of IBA vide letter no D.O.BCSBI.NO.1585/03.01.001/2006-07 dated February 23, 2007 stating that Immediate Credit should be afforded to all eligible account holders up to a specified amount subject to satisfactory conduct of such accounts.

Immediate Credit will be provided for outstation cheques upto Rs 5000/- to the individual account holders subject to the below mentioned criteria.

A) Eligibility Criteria

1. Value of cheque shall not exceed Rs.5000/-.
2. The beneficiary account shall be at least one year old.
3. NIL cheque returns in the account issued by customer in the last 6 months.
4. Average Quarterly Balance as per product offering maintained for the last 2 quarters.
5. Immediate credit facility will not be given to overdraft/loan account.
6. No cheque purchased under immediate credit earlier should be outstanding/pending for collection or returned unpaid.

B) The facility will be provided only for those cheques that are drawn on HDFC branch locations.

Normal cheque collection charges will be applicable.

Cheque returns and charging of interest on cheques returned unpaid where immediate credit was given:

- a). If the cheque is returned unpaid, the value of the cheque will be immediately debited to the account along with SB interest rate plus 2% for the period i.e. from the date of immediate credit to the date of debit to the account by CMS.
- b). 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
- c) Cheque return charges applicable for outstation cheques will be levied.

7) (ii) Immediate Credit of Local cheques during suspension of Clearing.

Whenever clearing house operations are suspended for a prolonged period for reasons beyond the control of authorities, bank customers are put to a great hardships as this affects prompt realization of their cheques that are deposited at banks belonging to the affected areas.

In order to minimize the inconvenience faced by customers and also to maintain good customer service, the Bank will consider to temporarily accommodate customers to the extent possible by purchasing the local cheques / drafts deposited in their accounts for collection.

Special consideration will be shown for cheques drawn by Government departments and companies of good repute as also to demand drafts drawn on local banks. While extending this

facility, the bank will take into consideration factors such as credit worthiness, integrity, past dealings, etc to safeguard itself against any possibility of such instruments being dishonoured subsequently.

8) 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. All branches will follow the internal guidelines as per the extant delegation of authority given on purchase of cheques.

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:

- 1)The bank shall immediately on coming to know of the loss bring the same to the notice of account holder.
- 2)The bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque like giving a certificate that it was lost etc.

The bank will compensate the customer in respect of instrument lost in transit in the following way.

- a)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) interest will be paid for the period exceeding the stipulated collection period at the rates specified above.
- b)In addition, bank will pay interest on the amount of the cheque for a further period of 15 days at Savings Bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- c)The bank would also compensate the customer for any reasonable charges (upto Rs Five Hundred) that 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 that would charge a fee for issue of duplicate instrument.

10) Third Party Endorsements

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

11) Reserve Bank of India Relief Bonds

Payment of Interest for Delayed redemption and half yearly interest of RBI Relief bonds.

Redemption of Cumulative /Non Cumulative RBI Bonds:

As part of the compensation policy and as per RBI guidelines received from time to time interest will be paid to investor in case of any delay in making the payment of redemption on the date of maturity subject to payment mandate and redemption documents duly filled in without any omissions, is available with the bank or half yearly interest on specified cycle of 1st February and 1st August. Presently the compensation prescribed is 8 % per annum for the delayed period.

The interest shall be paid without any demand from investor or by submission of valid proof of receipt of delayed credit. However, bank shall not be liable to compensate for delayed credit due to unavoidable circumstances like riots, bandh, strike etc.

12) Payment of Cheques / Drafts / Pay Orders / Banker's Cheques:

With effect from April 1, 2012, banks should 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. Banks should ensure strict compliance of these directions and notify the holders of such instruments of the change in practice by printing or stamping on the cheque leaves, drafts, pay orders and banker's cheques issued on or after April 1, 2012, by issuing suitable instruction for presentment within the period of three months from the date of the instrument.

13) Dishonor of Instruments

In case a cheque accepted for collection is returned unpaid, the bank will immediately debit the value of the cheque to customer account. As per various arrangements with the customer, bank shall recover interest for the period wherein bank was out of funds and/or per instrument rate which is applicable to customer as return charges.

The bank will hand over or dispatch the return cheque on the basis of the arrangement with the customer along with return memo and OR return statement containing the transaction level details within two working days from the date of debit.

Cheque return charges shall be levied only in case where the customer is at fault and is responsible for such returns. Cheques that need to be re-presented without any recourse to the payee, shall be made in the next presentation clearing not later than 24 hours (excluding holidays).

14) Service Charges

For all collection services the bank will recover appropriate service charges as decided by the bank from time to time and communicated to the customer, displayed on Bank's website.

15) 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.

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CHARGES FOR SAVINGS ACCOUNTS

SB Regular (inclusive of variants), SB Max, Senior Citizen's Account, Kids Advantage Account, BSBDA Account		
Outstation Cheque Collection on Branch / Non Branch Locations	Upto Rs 5,000	Rs. 25/-, (Rs. 20/- for rural branches/senior citizens account)
	Rs. 5,001/- to Rs. 10,000/-	Rs. 50/-, (Rs. 40/- for rural branches / senior citizens account)
	Rs. 10,001/- to Rs. 1,00,000/-	Rs. 100/-
	Rs. 1,00,001/- and above	Rs. 150/-
Speed Clearing Charges	Upto Rs. 1,00,000	No charges
	Rs. 1,00,001/- and above	Rs. 140/- per instrument (only for Non CTS locations)

CHARGES FOR CURRENT ACCOUNTS

	FLEXI , E-COMM Current Account	ULTIMA, APEX, MAX, SMARTUP MAX Current Account
Product Code	862, 954	757, 864, 863, 1055,1129
Cash In Code	CENTFLEXI	CENTMAX
Outstation Cheque Collection on Branch Locations	Rs 20 per instrument	Free
Corresponent Bank Locations	upto Rs 35000 - Rs. 50 above Rs. 35000 upto Rs.1 lac - Rs.100 above Rs. 1 lac - Rs. 150. (per instrument charges)	upto Rs 35000 - Rs. 50 above Rs. 35000 upto Rs.1 lac - Rs.100 above Rs. 1 lac - Rs. 150. (per instrument charges)
Clean Locations	upto Rs 25000 - Rs. 50 above Rs. 25000 upto Rs. 1 lac - Rs.100 above Rs. 1 lac - Rs. 150. (per instrument charges)	upto Rs 25000 - Rs. 50 above Rs. 25000 upto Rs. 1 lac - Rs.100 above Rs. 1 lac - Rs. 150. (per instrument charges)
Speed Clearing Charges	Instrument value upto Rs. 1 lac - no charges; instrument value above Rs. 1 lac - Rs. 15/- per instrument.	Free

	PLUS, SUPREME, BUSINESS BANKING, MERCHANT ADVANTAGE, SMARTUP ALPHA, ASCENT Current Account	REGULAR, PREMIUM, MERCHANT ADVANTAGE, AGRI, PROFESSIONAL Current Account
Product Code	221, 227, 232, 253, 278 825, 826, 830, 847 & 852 (also incl. PC 802 - BB Dropline OD & 853 - BB ME OD), 279, 818, 897, 811, 1013, 1313,1102	202, 206, 814, 823, 827, 833, 861,888, 200, 205, 208, 219, 220, 226, 229, 231, 235, 250, 752, 763, 765, 769, 811, 813, 821, 831, 835, 892, 869, 796, 793
Cash In Code	CENTPLUS / PLUSDUM	CENTDUM
Outstation Cheque Collection on Branch Locations	Rs 20 per instrument	upto Rs. 50000 - Rs.50 above Rs. 50000 upto Rs. 1 lac - Rs. 100 above Rs. 1 lac - Rs. 150 (per instrument charges)
Corresponent Bank Locations	upto Rs 35000 - Rs. 50 above Rs. 35000 upto Rs.1 lac - Rs.100 above Rs. 1 lac - Rs. 150. (per instrument charges)	upto Rs 25000 - Rs. 50 above Rs. 25000 upto Rs. 1 lac - Rs.100 above Rs. 1 lac - Rs. 150. (per instrument charges)
Clean Locations	upto Rs 25000 - Rs. 50 above Rs. 25000 upto Rs. 1 lac - Rs.100 above Rs. 1 lac - Rs. 150. (per instrument charges)	upto Rs 25000 - Rs. 50 above Rs. 25000 upto Rs. 1 lac - Rs.100 above Rs. 1 lac - Rs. 150. (per instrument charges)
Speed Clearing Charges	Instrument value upto Rs. 1 lac - no charges; instrument value above Rs. 1 lac - Rs. 15/- per instrument.	Instrument value upto Rs. 1 lac - no charges; instrument value above Rs. 1 lac - Rs. 140/- per instrument.

CHARGES FOR CURRENT ACCOUNTS

	Current Account for Hospitals/Nursing Homes/Pathology Labs, TRADE, EZZE	TASC Current Account
Product Code	792, 761, 256, 810, 819, 820, 824, 832	762,1107
Cash In Code	CENTTRADE / TRADECENT	CENTRUST
Outstation Cheque Collection on Branch Locations	upto Rs. 1 lac - Rs 25 above Rs. 1 lac & upto Rs. 2 lacs - Rs. 50 above Rs. 2 lacs & upto Rs. 3 lacs - Rs. 100 above Rs. 3 lacs - Rs. 150 (per instrument charges)	free
Corresponent Bank Locations	upto Rs 25000 - Rs. 50 above Rs. 25000 upto Rs. 1 lac - Rs.100 above Rs. 1 lac - Rs. 150. (per instrument charges)	Rs 25/- if amount <= Rs 10,000/-; Rs 100/- if amount > 10,001/-&<= Rs 1 lac; Rs 150/- if amount>Rs 1 lac
Clean Locations	upto Rs 25000 - Rs. 50 above Rs. 25000 upto Rs. 1 lac - Rs.100 above Rs. 1 lac - Rs. 150. (per instrument charges)	Rs 25/- if amount <= Rs 10,000/-; Rs 100/- if amount > 10,001/-&<= Rs 1 lac; Rs 150/- if amount>Rs 1 lac
Speed Clearing Charges	instrument value upto Rs. 1 lac - no charges; instrument value above Rs. 1 lac - Rs. 40	free