

SOCIETE GENERALE INDIA

Cheque Collection Policy

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In replacement of earlier policy ref no. P#33 dated 01-04-2019

1 INTRODUCTION

1.1 Objective and Scope:

This cheque collection facility is applicable to all our customers. It is a comprehensive document with transparency considering the systems and processes adopted for clearing arrangement and cheques and other negotiable instruments handled by OPER/FIN/CCM, SG INDIA branches.

1.2 Definitions:

CTS Clearing : Cheque Truncation System

Local Clearing : Clearing through Norther, Western grid

Outstation Clearing : Cheques not presented through GRID clearing

CB : Correspondent Banking arrangement

2 PROCESS FLOW FOR HANDLING THE CHEQUES COLLECTION

When accepting the cheques, the

- Banks are prohibited from crediting 'account payee' cheques to the account of any person other than the payee named therein;
- Banks should strictly collect 'account payee' cheques only for their payee constituents and only on behalf of the banks client;

2.1 CTS LOCAL CLEARING

Local instruments/cheques/payorder/demand draft-paper instrument (payable locally at par)

The instruments payable locally are presented through the clearing system prevailing at the centre. Cheques (as per CTS 2010 standard) – are presented in CTS in the respective GRIDS's i.e. Mumbai in Western Grid, Delhi in Northern Grid.

ZONE	CRITERIA	LATEST DEPOSIT TIME	CREDIT ON	COMPENSATION ON DELAY OF CREDIT BEYOND THE NORMAL CREDIT DATE
CTS CLEARING	ANY INSTRUMENT PAYABLE LOCALLY	2.30 PM weekdays	ON T + 1 DAY AS UNCLEARED EFFECT CLEARED FUNDS FOR UTILISATION	EXISTING SB INTEREST RATE FOR THE DELAYED PERIOD AND FOR OVERDRAFT ACCOUNTS (OD) / LOAN , 2% ABOVE THE

			AFTER CLOSURE OF RELATIVE RETURN CLEARING, LATEST BY T + 2 DAY	RATE AT WHICH OD / LOAN IS CHARGED
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2.2 OUTSTATION CLEARING

Societe Generale [SG] has a tie up with a correspondent bank [CB] for collection of outstation instruments not payable at par/via branches. The instruments are sent through the correspondent bank. The drawee bank where we have branches the cheques are sent to our branches for collection. In case of remote areas, not covered by correspondent bank/branches, cheques are directly sent to the drawee bank.

For all other outstation cheques, on receipt of the instrument, the particulars of the same would be lodged in our CBS Fincle system and after incorporating the appropriate endorsements, as applicable, on the reverse of the instrument, it is sent by courier service / hand delivery :

- despatched for collection to SG branches, if payable at location where we have branch and not presented through Speed clearing
- or despatched to the correspondent bank
- or directly dispatched to the drawee bank branch (if there is no correspondent bank branch) as appropriate along with our covering letter by courier.

Note: In case of remote areas where courier services are not available, the instrument is despatched by registered post

COLLECTION THRU	INSTRUMENTS SENT TO	LATEST DEPOSIT TIME	PERIOD OF REALISATION	COMPENSATION IN DELAY OF CREDIT
CB	CB	12.00 noon	WITHIN MAXIMUM PERIOD OF 10 BANKING DAYS FOLLOWING THE DATE OF DEPOSIT	EXISTING SB INTEREST RATE FOR THE DELAYED PERIOD AND FOR OVERDRAFT ACCOUNTS (OD) / LOAN, 2% ABOVE THE RATE AT WHICH OD / LOAN IS CHARGED
OTHERS	DRAWEE BANK	- DO -	WITHIN MAXIMUM PERIOD OF 14 BANKING DAYS FOLLOWING THE DATE OF DEPOSIT	- DO -

If no payment is received by the 5th day after despatch, the status is confirmed telephonically with the respective correspondent/drawee bank and followed up vigorously on a daily basis till realisation.

All inclusive charges to be levied per tariff schedule. No additional charges such as courier/out of pocket expenses shall be recovered except service tax and education cess.

Further, the charges levied will be shared by the collecting bank and paying bank per the arrangement not exceeding 50:50 basis within the maximum charges as prescribed by IBA.

For all outstation instruments, a photocopy is retained with SG to address the issues that could arise on account of any loss of instrument, while in transit.

2.3 FOREIGN CHEQUES ON COLLECTION

Cheques payable at foreign centres are sent through our branches, subsidiaries or correspondent banks as applicable.

Cheques payable in foreign countries are collected on the following basis :-

METHOD OF PAYMENT	PERIOD OF PAYMENT	COMMISSION CHARGED	COMPENSATION FOR DELAYED PERIOD
IMMEDIATE CREDIT [AGAINST AN INDEMNITY]	5 WORKING DAYS	RS.150/- + COURIER CHGS + RS. 5/- PER 1000/- UPTO 1 LAC or RS.2.5 PER 1000/- [ABOVE 1 LAC] + applicable taxes	AT THE APPLICABLE SB RATE AND ON OD / LOAN ACCOUNTS, RATE PAYABLE AT 2% ABOVE THE INTEREST CHARGED.
NORMAL COURSE ie ON COLLECTION AND FINAL CREDIT	21 WORKING DAYS	- DO -	- DO -

SG will compensate / pay interest on the amount of collection cheque, in case there is a delay in giving credit beyond the prescribed time period without any demand from the customer.

If any customer has a complaint against SG due to non payment or inordinate delay in the payment or collection of cheques, a complaint can be lodged with the bank.

If SG fails to respond within 30 days, a complaint with the Banking Ombudsman may be lodged.

2.4 DISHONoured CHEQUES

Any dishonour would be notified to the client as soon as such information is received from the drawee / collection bank. Dishonoured cheques will be returned to the customer latest by the next working day after receipt of the return instrument alongwith the return memo giving the reason of return. Applicable charges would be levied for the process.

2.5 CHEQUES / INSTRUMENTS LOST IN TRANIT / IN CLEARING PROCESS OR AT DRAWEE BANK'S BRANCH

In case of any instruments lost in transit, SG on getting the information, would keep the customer informed and provide all required assistance in obtaining a duplicate instrument. Also SG would actively explore the possibility of obtaining payment against submission of a photocopy of the instrument alongwith indemnity, if any, from the drawee bank. If the customer is informed of the loss of the instrument beyond the applicable collection period, interest for the delayed period, as applicable, will be paid. In addition to this, further compensation at Savings Bank rate upto a maximum period of 15 days and the charges levied by the drawee bank for obtaining a duplicate instrument would be paid.

2.6 FORCE MAJEURE

No compensation for delayed credit will be paid in case of any 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) which is beyond the control of SG preventing it from performing its obligations within the specified service delivery parameters.

Since we are not undertaking any retail banking activities in India, the following facilities are not being extended:

- Immediate credit against local / outstation instruments deposited for collection. Hence, interest on cheques returned unpaid will not be applicable.
- Purchase of local / outstation cheques.
- Linkage of the Cheque Collection Policy on the website

Nevertheless, the policy on cheque collection and compensation has been prominently displayed at the branch Notice Board for the information of our customers.

2.7 Escalation process:

Below is the escalation matrix for the operations team

Level	Contact Person	Contact Details	Phone No
I	Piyush Shah	piyush.shah@socgen.com	022-66309515
II	Subramanya Bhat	Subramanya.bhat@socgen.com	022-66309638

Regards,

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