

CHEQUE COLLECTION POLICY

INTRODUCTION

YES BANK's Cheque collection policy is a reflection of 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 (including cheque purchased) and other instruments payable locally, at centers 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.

A copy of the CCP (Cheque collection policy) shall be made available to the customer upon request. Additionally, copy of CCP shall be made available on website and branch Notice Board.

ARRANGEMENTS FOR COLLECTION OF DOMESTIC CHEQUES

1. Collection of Local Cheques

All Cheques, DD's, Pay orders and other Negotiable Instruments which are payable under grid system payable locally would be presented through the clearing system prevailing at the respective collection centre. Cheques, which are deposited at branch counters and in ATM drop boxes within the branch premises, before the specified cut-off time displayed at the branches, will be presented for clearing on the same day. Cut-off timings may vary from branch to branch.

Cheques deposited after the cut-off time, at branch including drop box at ATMs stationed inside the Branch premises and in collection boxes outside the branch premises including cheques deposited in drop box at off-site ATMs will be presented in the next clearing cycle.

For local cheques, credit will be given on the same day or at the most the next working day of their presentation in clearing. For these cheques, bank will permit usage of the shadow credit afforded to the customer accounts immediately after closure of relative return clearing or as per the specific arrangement agreed with the customer.

Withdrawal will be allowed on the same day or maximum within an hour of commencement of business on the next working day, subject to usual safeguards and unless otherwise agreed with the

customer However, in exceptional cases, this arrangement may be subject to extension of return clearing timings by clearing house and may lead to delay in crediting customer's account and allowing withdrawals. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the respective clearing house.

The respective branches will display the cut-off time for receipt of cheques to be sent in clearing on the same day in their premises. The cut-off time for collection of cheques from drop boxes installed at off-site ATM will be displayed on the face of the drop boxes.

A. CTS Cheques

Under 'Cheque Truncation System (CTS)' instead of presenting cheque in physical form, image of cheque is presented to the Drawee Bank. The original cheque remains in the custody of the Collecting Bank. Drawee Bank processes the instrument using the image.

To guard against fraudulent activities and to facilitate smooth functioning of the clearing in CTS environment, uniformity in the size, design and the security features on the cheque issued by all banks to their customers has been brought in. These cheques are called as 'CTS-2010 Standard Cheques'.

For the purpose of CTS Clearing, RBI has directed that no changes/corrections should be carried out on the cheque. Therefore, customers are advised to use fresh cheque forms in case of any changes in the payee's name, courtesy amount (amount in figures) or legal amount (amount in words) etc. This will help Banks identify and control fraudulent alterations. However, these restrictions will not be applicable to cheques cleared under other clearing arrangements such as MICR clearing, non-MICR clearing, over the counter collection (for cash payment) or direct collection of cheques outside the Clearing House Arrangement.

B. Non-CTS Cheques

As notified by Reserve Bank of India vide circular no. *DPSS(Che)/ 569 /01.02.003/2017-18 dt. June 21, 2018*, separate clearing session for Non-CTS instruments has been discontinued from 31st December 2018, however these instruments continue to present in Express Cheque Clearing System (ECCS) centres.

In certain categories of cheques, (subject to amendments in guidelines) or instruments demanded by the correspondent Bank or image quality assessment (IQA) failure will be presented in physical form to the drawee Bank.

C. Over the counter collection

Bank branches situated at centres where no clearing house exists, would present local cheques on drawee banks across the counter and it would be the bank's endeavor to credit the proceeds at the earliest which is generally within three working days from the date of deposit of instrument by the customer, however in cases of delayed realization of Cheque/instruments, customer's account will be credited on the day realization proceeds are received by the Bank.

2. Speed Clearing

Bank is participating in a "Speed Clearing" introduced by Reserve Bank of India. The "Speed Clearing" is currently available at all MICR/ CTS Clearing House Locations. Under "Speed Clearing" system, cheques payable at any core banking solution (CBS) branches of any banks of any centres are collected through local clearing. The list of centers is available at RBI's website (www.rbi.org.in) under the link "Consumer education and Protection Information Useful to Customer".

All terms and conditions applicable for local clearing instruments will also apply to speed clearing.

3. Collection of Outstation Cheques

Cheques drawn on other banks at outstation centres, which cannot be collected locally or through speed clearing, will normally be collected through YES BANK branches at those centres. Where YES BANK does not have a branch of its own, the instrument would be sent for collection to the drawee bank or collected through a correspondent bank.

Cheques drawn on Bank's own branches at outstation centres will be collected using the inter branch arrangements in vogue. Branches which are connected through a centralized processing arrangements and are offering anywhere banking services to its customers will provide same day credit to its customers in respect of outstation instruments drawn on CBS network branches if received in the branch before specified cut off time.

Time frame for collection of outstation cheques is defined in the table below:

Timeframe for collection of outstation cheques drawn on state capitals/ major cities/ other locations shall be 7/10/14 days respectively.

Instrument Payable at location	Maximum Collection Period
State Capitals e.g. New Delhi, Lucknow, Jaipur, Hyderabad etc.	7 days
Major Cities e.g. Surat, Kanpur, Jodhpur etc.	10 days
Villages/Rural Areas/Other Locations	14 days

Customer account will be credited upon realization of cheque/instrument. Outstation cheques will be paid subject to recovery of service charges and GST, as applicable to the account or as agreed with the customer. However, such charges shall not exceed the service charges prescribed by RBI for Outstation Collection. No additional charges, P&T, Courier charges etc. shall be recovered.

4. Immediate Credit of outstation Cheques/Instruments

- Branches/extension counters of the bank will consider providing immediate credit for outstation cheques/instruments up to the aggregate value of Rs. 15000/- tendered for collection by KYC compliant 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 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 centres where no formal clearing house exist.
- The credit given under this facility should not exceed Rs. 15000/- per customer (The facility of immediate credit will be offered in Savings/Current/Cash Credit/Overdraft Accounts of the customers. For extending this facility there will not be any separate stipulation of minimum balance in the account.
- The facility of immediate credit will be offered across all Branches and Extension Counters of YES BANK.
- Under this policy, prepaid instruments like Demand Drafts, Interest/Dividend/warrants of other Banks shall be treated at par with cheques.
- For the purpose of this Policy, a satisfactorily conducted account shall be the one which qualifies successfully on all the following parameters:
 - Opened at least six months earlier and complying with KYC norms on the date of immediate credit
 - Conduct of account 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 the bank 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 cheques purchase will not, however be charged.
- Taxes such as GST, applicable on charges will also be recovered from the customer.
- Immediate credit facility will be provided in account holder's base branch only.
- The facility of immediate credit would not be offered in following cases:
 - For collection of cheques under Speed Clearing arrangements
 - For collection of cheques drawn at locations where no YES BANK Branch is available
 - For accounts which are denominated in foreign currency
 - For cheques which are postdated, out of date or nearing out of date, due to avoid risk of return of the instrument
 - For accounts in inoperative status
 - For cheques of value greater than Rs. 15,000, i.e. no partial immediate credit for cheques
 - For cheque drawn by customer on his own account with another bank
 - For cheque drawn on any YES BANK branch
 - For cheque which can be presented in the local clearing

5. Charging of Interest on cheques returned unpaid where immediate 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 and applicable charges with respect to rejection and return of the cheque/instrument will be immediately debited to the customer's account.
- Taxes such as GST, applicable on charges will also be recovered from the customer.
- Interest at standard overdraft rate applicable on the date of recovery 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 in the Savings/Current Account and was not withdrawn, the amount so credited will not qualify for payment of interest upon return of the unpaid cheque. However, if the funds were withdrawn, in the event of dishonour 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 Clean overdraft limits sanctioned for individual customers, as per YES BANK's extant credit policy.

COLLECTION OF CHEQUES PAYABLE AT / DRAWN ON FOREIGN COUNTRIES

Cheques payable at foreign locations, where the bank has Correspondent Banking arrangements, will be collected through correspondent banks. 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 with instructions to credit proceeds to the respective Nostro Account of the bank maintained with one of the correspondent banks.

1. Timelines for collection of cheques payable at foreign locations

Currency	Amount (per unit of currency)	Collection and Credit Arrangement
USD	(Minimum amount of USD 50 and Maximum amount USD 350000)	<ul style="list-style-type: none"> • Immediate credit to customer's account after sighting the funds in our Nostro account under Final Credit Services arrangement. No value dated credit will be allowed. • Minimum turnaround time for Cheque clearing: <ul style="list-style-type: none"> ○ 6-10 business days on cheque drawn on Wells Fargo's ABAs, drawee banks located in New York City or Philadelphia ○ 15-20 business days on cheque drawn on other banks
GBP/EUR	Any Amount	<ul style="list-style-type: none"> • Cooling period of 10 international working days after credit received in YBL Nostro account. Value dated credit will not be allowed. • Cheques will be sent under Cash Letter facility of our respective correspondent banks.
AUD/ CAD/SGD/JPY	upto 250	<ul style="list-style-type: none"> • Cooling period of 10 international working days after credit received in YBL Nostro account. Value dated credit will not be allowed. • Cheques will be sent under Cash Letter facility of our respective correspondent banks.
AUD/ CAD/SGD/JPY	more than 250	<ul style="list-style-type: none"> • Immediate credit to customer's account will be post cooling period of 10 International working days after sighting funds in our Nostro account. No value dated credit will be allowed • Approximately 20-25 international working days are taken for clearing. • Cheques will be sent under Collection facility of our respective correspondent banks

2. Important Notes:

- Charges towards collection of the instrument will be borne by the customer as per schedule of charges applicable to the account or as specific agreement with the customer.
- Customer will be liable to pay the Bank all such expenses which the bank may have incurred towards collection of the instrument if the cheque tendered for collection / purchase is returned unpaid.
- Instances in which returned cheques are lost in transit; correspondent bank charges will be borne by the customer debited to the customer's account on the basis of the nonpayment advice received from the correspondent bank.
- Fee and Service charges as defined in the applicable Schedule of charges as amended from time to time would be levied. The conversion rate applicable would be the applicable card rate/forex rate provided by treasury as on the date of credit to the customer account.
- Taxes such as GST, applicable on charges will also be recovered from the customer.
- The clearing day starts when the physical cheque is received at the foreign corresponding bank end for clearing on whose name the cheque is drawn.
- For USD Cheque amounts greater than USD 350,000 customers are advised to use the TT / Wire Transfer route.
- The Bank will not be liable for any interest, charges, cost, fees deducted from cheques proceeds, or any delay in receipt of the cheque proceeds with respect to the cheque sent abroad for clearing.
- The Bank will not be liable if the cheque presented for clearing is returned by the overseas bank for inability to process the cheque for whatsoever reason.
- The Bank will not provide upfront credit by purchasing cheque payable at or drawn on foreign country even if the conduct of the account has been satisfactory.
- Immediate credit of foreign currency instruments will not be permitted, given the inherent risks involved in the transaction. For low value instruments, base branch of YES BANK may at its discretion, waive the cooling period, if any, provided conduct of the account is satisfactory as mentioned in the section for immediate credit of outstation cheques/instruments.
- Payment of Interest for delayed collection of cheques payable outside India will be made as per the extant Compensation Policy available on YES BANK website: (https://www.yesbank.in/regulatory_policies).

COLLECTION OF THIRD PARTY CHEQUE

Bank will not collect account payee cheques for any person other than the payee constituent. However, bank will collect account payee cheques, drawn for an amount not exceeding Rs. 50,000/- to the account of the customers who are co-operative credit societies and the payees of such cheques are the constituents of such co-operative credit societies. While collecting the cheques as aforesaid, bank will obtain a clear representation in writing from the co-operative credit societies concerned

that, upon realization, the proceeds of the cheques will be credited only to the account of the member of the co-operative credit society who is the payee named in the cheque. This shall, however, be subject to the fulfillment of the requirements of the provisions of Negotiable Instruments Act, 1881, including Section 131 thereof.

In order to facilitate collection of cheques from a payment system angle, account payee cheques deposited with the sub-member for credit to their customers' account can be collected by the member bank (referred to as the sponsor member) of the Clearing House. Under such arrangements, there should be clear undertaking to the effect that the proceeds of the account payee cheque will be credited to the payee's account only, upon realization.

The above clauses will also be applicable to Drafts, Pay Orders and Banker's cheques.

PURCHASE OF LOCAL/OUTSTATION CHEQUES

- Bank may, at its discretion, purchase local/outstation cheques tendered for collection at the specific request of the customer or as per prior arrangement. Besides satisfactory conduct and creditworthiness of the account holder, the standing of the drawer of the cheque will also be a factor considered while purchasing the cheque.

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 within 24 hours on coming to know of the loss, bring the same to the notice of the accountholder so that the accountholder can inform the drawer to record stop payment.
- The bank would provide all possible assistance to the customer to obtain a duplicate instrument from the drawer of the cheque like giving a certificate regarding loss of the cheque etc.
- The bank 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 charges incurred for making stop payment of the lost cheque by the customer with the Paying Bank will be compensated by the Bank.
- 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.
- Compensation, if any, will be paid by YES BANK in accordance with its extant compensation policy available on YES BANK website (https://www.yesbank.in/regulatory_policies).

DELAY IN RE-PRESENTATION OF TECHNICAL RETURN CHEQUES AND LEVY OF CHARGES FOR SUCH RETURNS

The bank will levy cheque return charges only in cases where the customer is at fault and is responsible for such returns. An illustrative list of returns, where the customers are not at fault are indicated in Annexure- I. Taxes such as GST, applicable on charges will also be recovered from the customer.

Further in cases where the cheques need to be re-presented without any recourse to the payee, such re-presentation will be made in the immediate next clearing presentation not later than 24 hours (excluding holidays).

COMPENSATION ON LOSS OF INSTRUMENTS OR DELAYED PRESENTATION

YES BANK Ltd will take remedial steps to compensate the customer, using variety of modes like value dating the credit or payment of interest etc. Interest for delayed collection shall be paid as per the bank's Compensation Policy as per prescribed RBI guidelines.

Compensation by way of interest payment, where necessary, should be made without any claim from the customer.

MISCELLANEOUS

- Cheques which are deposited with wrong account number mentioned on the Pay-in slip, where bank is not able to identify the customer, will return the cheque to the customer on receipt of valid claim after verification.
- In cases with incomplete address, incomplete phone no., no phone number mentioned on the Pay-in slip, the bank will be responsible to 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- 48 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.

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 customer, displayed on bank's website. Taxes such as GST, applicable on charges will also be recovered from the customer.

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.

ILLUSTRATIVE BUT NOT EXHAUSTIVE LIST OF OBJECTIONS WHERE CUSTOMERS ARE NOT AT FAULT (ANNEXURE-I)

Code No.	Reason for Return
35	Clearing House stamp / date required
36	Wrongly delivered / not drawn on us
37	Present in proper zone
39	Image not clear; present again with paper
40	Present with document
41	Item listed twice
42	Paper not received
67	Payee’s endorsement irregular / requires collecting bank’s confirmation
76	Required information not legible / correct
82	Bank / Branch blocked
84	Other reasons-connectivity failure
92	Bank excluded