

COMPENSATION POLICY

संस्करण संख्या / **VERSION NO. 11**
2021-2022

ग्राहक सेवा अनुभाग/ सामरिक आयोजना व विकास विभाग

CUSTOMER SERVICE SECTION, SP & D WING

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COMPENSATION POLICY OF THE BANK FOR THE YEAR 2021-22

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COMPENSATION POLICY- 2021-22

A. OBJECTIVES:

The objectives of this Policy is to provide a system whereby the bank compensates the Customer for any financial loss he/ she might incur due to deficiency in service on the part of the Bank or any act of omission or commission directly attributable to the bank.

The Policy covers compensation for financial losses which customer might incur due to deficiency in the services offered by the bank which can be measured and as such the commitments under this Policy are without prejudice to any right the bank will have in defending the position before any forum duly constituted to adjudicate banker - customer disputes.

B. SYSTEMS & PROCEDURES:

1. Unauthorized/ Erroneous Debit arising on fraudulent or other transactions:

- a. If the bank has raised an unauthorized/ erroneous direct debit to an account, the entry will be reversed immediately on being informed of the erroneous debit, after verifying the position. In the event the unauthorized/erroneous debit has resulted in a financial loss for the customer by way of reduction in the minimum balance applicable for payment of interest on savings bank deposit or payment of additional interest to the bank in a loan account, the bank will compensate the customer for such loss. Further, if the customer has suffered any financial loss incidental to return of a cheque or failure of direct debit instructions due to insufficiency of balance on account of the unauthorized/ erroneous debit, the bank will compensate the customer to the extent of such financial losses.
- b. In case verification of the entry reported to be erroneous by the customer does not involve a third party, the bank shall arrange to complete the process of verification within a maximum period of 7 working days from the date of reporting of erroneous debit. In case the verification involves a third party, the bank shall complete the verification process within a maximum period of one month from the date of reporting of erroneous transaction by the customer.
- c. In respect of erroneous transactions reported by customer pertaining to credit card operations, the bank shall provide explanation and, if necessary, documentary evidence to the customer within a maximum period of 60 days from the date the customer notifies the Bank regarding the erroneous debit.
- d. Erroneous transaction reported by customers in respect of credit card operations which require reference to a Merchant Establishment will be handled as per rules laid down by Card Association.
- e. (i) In cases of the Erroneous debits arising out of fraudulent transaction, in case of any fraud, if the branch is convinced that an irregularity/ fraud has been Committed by staff towards any constituent, the branch should at once acknowledge its liability and pay just claim.



(ii) In case where bank is at fault, the bank should compensate Customers without demur.

(iii) In case where neither the Bank is at fault nor the customer, but the fault lies elsewhere in the system, the Bank will help in restoring the actual amount involved. As a gesture of goodwill and to deal with the customers fairly, the Bank will compensate the customer with Rs.100/- per Rs.5000/- of the amount involved, subject to a maximum of Rs.1000/- for each instance.

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

2. ECS, direct debits, other debits to accounts, standing instructions, NEFT, RTGS and Internet banking transactions:

a) The bank will undertake to carry out direct debit/ ECS debit instructions of customers in time. In the event the bank fails to meet such commitments, customer will be compensated to the extent of any financial loss the customer would incur on account of delay in carrying out the instruction/ failure to carry out the instructions.

b) The bank would debit the customer's account with any applicable service charge as per the schedule of charges notified by the bank. In the event the bank levies any charge in violation of the arrangement, the bank will reverse the charges when pointed out by the customer subject to scrutiny of agreed terms and conditions. Any consequential financial loss to the customer will also be compensated.

c) Where it is established that the bank had issued and activated a credit card without written consent of the recipient, the bank would not only reverse the charges immediately but also pay a penalty without demur to the recipient amounting to twice the value of charges reversed.

d) The bank will undertake to pay compensation to the extent of financial loss incurred by the customer in case of failure to carry out standing instructions and failure/ delay in crediting NEFT/ RTGS transactions in time. However in case of failed Internet Banking transactions done by customers, bank will compensate the customer to the extent of financial loss the customer would incur if the failure is due to bank's fault.

3. Stipulation of compensation for delay in clearance of Local Cheque:

Bank shall permit usage of the shadow credit afforded to the customers' account immediately after closure of relative return clearing and in any case, withdrawal shall be allowed on the same day or maximum within an hour of the commencement of business on the next working day, subject to usual safeguards. Compensation at savings bank interest rate shall be paid for the corresponding period of delay.

4. Stipulation of compensation for delayed credit/ refunds of NEFT transactions:

In case of delay in crediting the beneficiary customer's account or in returning the non-credited amount to the remitter in case of NEFT, Bank shall pay penal interest. Under the extant guidelines, bank is required to pay penal interest at the current RBI LAF Repo rate plus two percent for the period of delay/ till the date of refund as the case may be to the affected customer's suo moto, without waiting for claim from customers.

In case of delayed credits or delayed returns, the penal interest as applicable is paid suo-moto to the customer. Even in the case of back-dating or value-dating such delayed transactions, bank shall pay the penal interest for the delayed period.

5. Payment of Cheques after Stop Payment Instructions:

In case a cheque has been paid after stop payment instruction is acknowledged by the bank, the bank shall reverse the transaction and give value-dated credit to protect the interest of the customer. Any consequential financial loss to the customer will be compensated as provided under Para 1 above. Such debits will be reversed within 2 working days of the customer intimating the transaction to the bank.

6. Foreign Exchange Services:

The Bank would not compensate the customer for delays in collection of cheques designated in foreign currencies sent to foreign countries as the bank would not be able to ensure timely credit from overseas banks. It is the bank's experience that time for collection of instruments drawn on banks in foreign countries differ from country to country and even within a country, from place to place. The time norms for return of instruments cleared provisionally also vary from country to country. Bank however, would consider upfront credit against such instrument by purchasing the cheque/ instrument, provided the conduct of the account has been satisfactory in the past. However, the bank will compensate the customer for undue delays in affording credit once proceeds are credited to the Nostro Account of the bank with its correspondent. Such compensation will be given for delays beyond one week from the date of credit to Nostro Account/ due date after taking into account normal cooling period stipulated. The compensation in such cases will be worked out as follows:

- i. Interest for the delay in crediting proceeds as indicated in the collection policy of the bank. Such compensation shall be paid at the rate of interest applicable to NRE SB a/c in respect of NR - clients and domestic SB a/c in case of resident customers.
- ii. Compensation for any possible loss on account of adverse movement in foreign exchange rate

7. Remittances in India:

The compensation on account of delays in collection of instruments would be as indicated in the bank's collection policy which is reproduced below for information:

"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.

Interest for delayed collection shall be paid at the following rates:

- a. In case of extraordinary delay, i.e. delays exceeding 90 days interest will be paid at the rate of 2% above the corresponding Term Deposit rate.
- b. In the event the proceeds of cheque under collection were to be credited to an overdraft/ loan account of the customer, interest will be paid at the rate applicable to the loan account. For extraordinary delays, interest will be paid at the rate of 2% above the rate applicable to the loan account.
- c. In case no rate is specified in the Cheque Collection Policy for delay in realization of local cheques, compensation at Savings Bank interest rate shall be paid for the corresponding period of delay.
- d. Time frame for collection of cheques drawn on State Capitals/ major cities/ other locations to be 7/10/14 days respectively. If there is any delay in collection beyond this period, the interest shall be the interest rate on Fixed Deposits on the corresponding maturity. The time frame for collection specified by the National Consumer Dispute Redressal Commission shall be treated as outer limit and credit shall be accorded if the process gets completed earlier.
- e. Banks shall not decline to accept Outstation cheques deposited by its customer for collection.

It may be noted that interest payment as given above would be applicable only for instruments sent for collection within India.

The Bank's Compensation Policy for financial loss suffered by the customers due to loss of instrument after it has been handed over to the bank for collection by the customer would also be as indicated in our collection policy. The same is extracted below for information:

8. Cheques/ Instruments lost in transit/ in clearing process or at paying banks' branch:

a. In respect of cheques lost in transit or in the clearing process or at the paying Bank's branch, the bank should immediately bring the same to the notice of the account holder so that account holder can inform the drawer to record the stop payment and can also take care that other cheques issued by him are not dishonoured due to non credit of the amount of the lost cheques / instruments.

b. In case of cheque/ instrument lost, onus of such loss lies with the collecting Banker and not the account holder.

c. The bank would also compensate the customer for any reasonable charges he / she incurs in getting duplicate cheque/ instruments upon production of receipt in the event the instrument is to be obtained from a bank/ institution who would charge fee for issue of duplicate instrument and also reasonable charges incurred for stopping payment of the cheque. The Bank shall reimburse the account holder related expenses for obtaining duplicate instruments and also interest at SB rate for reasonable delays occurred in obtaining the same.

d. 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 mentioned above in para 7, point a to d.

e. In addition, the 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.

f. If the cheque/ instrument has been lost at the paying Bank's Branch, the collecting Banker shall have a right to recover the amount reimbursed to the customer for the loss of the cheque/ instrument from the paying Banker.

9. a. Payment of Interest for Delays in collection of bills:

The lodger's bank shall pay interest to the lodger for the delayed period in respect of collection of bills at the rate of 2% p.a. above the rate of interest payable on balances of Savings Bank accounts. The delayed period shall be reckoned after making allowance for normal transit period based upon a time frame of 2 days each for (i) Dispatch of bills; (ii) Presentation of bills of drawees (iii) Remittance of proceeds to the lodger's bank (iv) Crediting the proceeds to drawer's account.

To the extent the delay is attributing to the drawee's bank, the lodger's bank may recover interest for such delay from that bank.

9. b. Delay in Re-presentation of Technical return Cheques and Levy of Charges for such Returns:

Bank shall levy cheque return charges only in cases where the customer is at fault and is responsible for such returns. Where the customers are not at fault the cheques need to be re-presented without any recourse to the payee, such representation should be made in the immediate next presentation clearing not later than 24 hours (excluding holidays) with due notification to the customers of such representation through SMS alert, email etc.

Illustrative list of objections where customers are not at fault:

Code No	Reason for Return
11	Drawer's signature / authority to operate account not received
31	Instrument mutilated; requires bank's guarantee
33	Encoding / listing error
34	Clearing house stamp / date required
35	Wrongly delivered / not drawn on us
36	Present in proper zone
37	Instrument contains extraneous matter
52	Title of account required / Title of account wrong / incomplete
60	Crossed to two banks
61	Crossing / clearing stamp not cancelled
62	Instrument specially crossed to _____
64	Payee's endorsement required / irregular / requires collecting Bank's confirmation
65	Endorsement by mark / thumb impression requires attestation by Drawer / Magistrate with seal
70	Advice not received / Amount / Name differs on advice
71	Drawee bank's fund with sponsor bank insufficient
72	Payee's separate discharge to bank required
73	Not payable till 1st Proximo
74	Pay Order / cheque requires counter signature
80	Bank's certificate ambiguous / incomplete / required
81	Draft lost by issuing office, confirmation required from issuing office.
82	'Payee's a/c Credited' - Stamp required
84	Other reasons: _____

10. Violation of the Code by Banks Agent:

In the event of receipt of any complaint from the customer that the bank's representative/ courier or DSA has engaged in any improper conduct or acted in violation of the Code of Bank's Commitment to Customers which the bank has adopted voluntarily, bank shall take appropriate steps to investigate and to handle the complaint and to compensate the customer within 7 days from the date of receipt of the complaint for financial losses, if any.

11. Transaction of “at par instruments” of Co-operative Banks by Commercial Banks:

The RBI has expressed concern over the lack of transparency in the arrangement for payment of “at par” instruments of co-operative banks by commercial banks resulting in dishonour of such instruments when the remitter has already paid for the instruments. In this connection it is clarified that the bank will not honour cheques drawn on current accounts maintained by other banks with it unless arrangements are made for funding cheques issued. Issuing bank should be responsible to compensate the cheque holder for non payment/ delayed payment of cheques in the absence of adequate funding arrangement.

12. ATM:

It is mandatory for bank to reimburse the customer the amount wrongfully debited on account of failed ATM within a maximum period of T+5 days from the receipt of the complaint. For any failure to re-credit the customer's account beyond T+5 days from the date of receipt of the complaint, bank shall pay compensation of Rs 100/- per day SUO MOTO to the aggrieved customer. This compensation shall be credited to the customer's account automatically without any claim from the customer, on the same day when bank affords the credit for the failed ATM transactions.

Any customer is entitled to receive such compensation for delay, only if a claim is lodged with the issuing bank within 30 days of the date of the transaction.

(a) ATM free transaction: The number of free transactions permitted per month at other bank ATMs to Savings Bank account holders shall be **inclusive** of all type of transactions, financial or non-financial.

(b) ATM failed transaction: All disputes regarding ATM failed transactions shall be settled by the issuing bank and the acquiring bank through the ATM System Provider **only**. No bilateral settlement arrangement outside the dispute resolution mechanism available with the system provider is permissible.

13. Issue of Duplicate Draft and Compensation for delays:

Duplicate draft will be issued within a fortnight from the receipt of such request from the purchaser thereof. For delay beyond the above stipulated period, interest at the rate applicable for Fixed Deposit for corresponding period will be paid as compensation to the customer for such delay. The period of fortnight prescribed would be applicable only in cases where the request for duplicate demand draft is made by the purchaser or beneficiary and would not be applicable in case of third party endorsements.

14. Lenders liability; Commitment to Borrowers:

The bank has adopted the principles of lenders liability. In terms of the guidelines for lenders liability and the Code of Bank's Commitment to customers adopted by the Bank, the Bank would return to the borrowers all the securities/ documents/ title deeds to mortgaged property within 15 days of repayment of all dues agreed to or contracted. The bank will compensate the borrower for monetary loss suffered, if any due to delay in return of the same. In the event of loss of title

deeds to mortgage property at the hands of the banks, the compensation will cover out of pocket expenses for obtaining duplicate documents plus a lump sum amount as decided by the Bank.

15. Delay in Payment of Pension:

In view of the delay in revision of pension and payment of arrears to pensioners including non State resident pensioners, the Bank shall compensate the pensioners' for the delayed period beyond the due date at 8% penal interest (as per RBI instructions dated 13.04.2012). Further the compensation shall be credited to the pensioners' accounts automatically without any claim from the pensioners on the same day when the bank affords credit for revised pension/ arrears in respect of all delayed pension payments made since October 2008.

16. Minimum balance in savings bank accounts:

At the time of opening the accounts, bank shall inform the customers in a transparent manner, the requirement of maintaining minimum balance and levying of charges, etc, if the minimum balance is not maintained. Any charge levied subsequently shall be transparently made known to all depositors in advance with one month's notice. The Bank shall inform, at least one month in advance, the existing account holders of any charges in the prescribed minimum balance and charges that may be levied if the prescribed minimum balance is not maintained. With effect from 16.05.2014, bank shall not permit to levy penal charges for non-maintenance of minimum balances in any inoperative account.

17. Compensation in case of delay in collection of cheques denominated in Foreign Currency:

((a). The time limit for payment of inward remittances received up to USD 10,000/- or its equivalent or issuance of FITT (Foreign Inward Remittance Received through Telegraphic Transfer/ SWIFT) voucher if it is exceeding USD 10,000 or its equivalent is two working days from the date of receipt of credit advice/ Nostro statement. In case of delay, the Bank shall also pay the beneficiary interest @ 2% over its Savings Bank rate. The bank shall also pay compensation for adverse movement of exchange rate, if any. Saturday will not be treated as a working day.

If the FITT voucher in Foreign Currency & the amount of inward remittance is not credited to the beneficiary's account within the time limit stipulated as above, compensation is payable to the beneficiary of the inward remittance as under :

(i) By way of interest at 2% over the applicable Saving Bank rate provided the payment order is authenticated and contains full details of the beneficiary.

(ii) If the FOREX Rate moves adversely i.e. if TT Buying Rate prevailing at 12 Noon on the day on which the amount is due for credit is higher than TT Buying Rate prevailing at 12 Noon on the day of actual payment, the difference between these two rates is payable to the beneficiary of the inward remittance.



(iii) The compensation is also payable by way of payment of interest though the inward remittance denominated in Indian Rupees is not paid to the beneficiary as per the above provisions.

(iv) Customers would be compensated for delay in crediting the proceeds of foreign currency instruments payable abroad/ in India and sent on collection basis.

(v) Such compensation would be paid at the rate of interest applicable to NRE SB accounts in respect of NRI-clients and domestic SB account in the case of resident-customers, for the delays beyond prescribed period for various transactions which are as under:

a. Personal cheques/ drafts payable in the country of currency - if proceeds are not credited within 21 days (Cash letter with recourse)/ 31 days (Collection without recourse).

b. Personal cheques/ drafts payable in the country other than in the currency of the country - If proceeds are not credited within 45 days (Cash letter with recourse)/ 51 days (Collection without recourse).

18. Wealth Management Products:

Bank is a corporate Agent and distributor of Insurance and Mutual Fund products respectively. For any deficiencies in services bank will assist customers to raise their grievances with the tie-up partners.

For any deficiencies in services at bank level raised by customer, the issue will be examined by the bank and if the lapse on the part of the bank is confirmed (mis-selling) customer will be compensated as per the provisions of this policy.

19. Unauthorised Electronic Transactions reported by Customers.

As per the Circular no. DBR.No.Leg.BC.78/09.07.005/2017-18 dated July 6, 2017 issued by the Reserve Bank of India; all Banks are required to formulate a Board Approved Customer Protection Policy for unauthorised electronic Banking transactions reported by customers.

The policy is inter alia, required to cover in detail, the liability of customers in different scenarios depending on whether compromise was at the Bank's end, customer's end or elsewhere in the system.

For all such transactions, the Bank would be governed by their Board Approved Customer Protection Policy or any other equivalent policy.

20. 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 labor 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.

21. Compensation to Retail Individual Investors (RIIs) in an IPO

SEBI, vide their circular no: SEBI/HO/CFD/DIL2/CIR/P2018/22 dated 15.02.2018 has issued a circular on compensation to (RIIs) in an IPO:

As per Circular:

1. While the process of Applications Supported by Block Amount (ASBA) has resulted in almost complete elimination of complaints pertaining to refunds, there have been instances where the applicants in an Initial Public Offering have failed to get allotment of specified securities and in the process may have suffered an opportunity loss due to the following factors:
 - a) Failure on part of the Self Certified Syndicate Banks (SCSBs) to make bids in the concerned Exchange system even after the amount has been blocked in the investors' bank account with such SCSB.
 - b) Failure on part of the SCSB to process the ASBA applications even when they have been submitted within time.
 - c) Any other failures on part of an SCSB which has resulted in the rejection of the application form.

2. Being Self Certified Syndicate Bank, our Bank adopted the policy for payment of compensation to Retail Individual Investors as per SEBI guidelines. For calculation of minimum compensation payable to investors in scenarios mentioned above in Para 1. a), b) and c), the following factors have been taken into account:
 - a) The opportunity loss suffered by the investor due to non-allotment of shares;
 - b) The number of times the issue was oversubscribed in the relevant category;
 - c) The probability of allotment; and
 - d) The listing gains if any on the day of listing.

3. The formula for calculation of minimum fair compensation is as follows:

$ \text{Compensation} = (\text{Listing price}^* - \text{Issue Price}) \times \text{No. of shares that would have been allotted if bid was successful} \times \text{Probability of allotment of shares determined on the basis of allotment} $

**Listing price shall be taken as the highest of the opening prices on the day of listing across the recognized stock Exchanges.*

The formula has been explained with the help of an example as per Reference Chart given below.



4. In the case of issues which are subscribed between 90-100%, i.e. non oversubscribed issues, the applicants would be compensated for all the shares which they would have been allotted.
5. No compensation would be payable to the applicant in case the listing price is below the issue price.
6. RTAs shall share the basis of allotment file, if sought by Self Certified Syndicate Bank (SCSB), so that the SCSB shall have access to the allotment ratio for the purpose of arriving at the compensation.
7. Any applicant whose application has not been considered for allotment, due to failure on the part of the Bank, shall have the option to seek redressal of the same within three months of the listing date. On receipt of such application/s, Bank would be required to resolve the same within 15 days, failing which interest at the rate of 15% per annum for any delay beyond the said period of 15 days to be paid to the complainant.
8. The payment of compensation is to be accounted as revenue expenditure in the Books of the Bank. The instances of payment of compensation may not be regular and a few. The penalty if awarded will be on the Bank. Account payment of Compensation shall be paid by debiting the GL Head: Penalties/ Penal interest (Code: 420082015) - Centrally and in case of accountability being fixed, the amount recovered will be credited to the same GL head.
 - a. To take up with concerned MIPD & PP Section of Circle Office with full details for early resolution.
 - b. MIPD & PP Section to verify and investigate the complaint with the branch and submit a report to Corporate Merchant Banking Division, SP&D Wing HO duly recommending for payment of eligible compensation to the complainant.
 - c. Circle Office shall fix the accountability, in the event of loss suffered by a investor and compensated by the Bank due to failure on the part of staff. The same has to be dealt with staff angle.
 - d. Corporate Merchant Banking Division at SP&D Wing will place a note to the Wing Head for permitting the compensation claimed and it will be paid centrally from HO, Branch and concerned circle will be informed accordingly.
9. The Customer can raise complaints seeking compensation through E-Mail / CPGRS/ any other electronic Mode directly to Branches and/ or SCORES Platform of SEBI website.

Reference chart for calculation of minimum compensation in case of non-allotment of specified securities to applicants (Retail Individual Investors) in an IPO

Example - Security A

Issue Price : 300

Listing Price: 325

Minimum Bid lot: 20 shares



Total No. of Applications received from RII	No. of Equity Shares applied in all valid applications	Shares Reserved for RIIs	No. of times Subscribed
(A)	(B)	(C)	(D)=B/C
2,00,000	3,28,00,000	35,00,000	9.37

*RII-Retail Individual investor

In this case maximum possible allottees is $35,00,000/20 = 1,75,000$

The basis of allotment is determined by Lead Managers in consultation with the Stock Exchanges as under:

No. of Lots	No. of Shares at each lot	No. of retail Investors applying at each lot	Total No. of Shares applied for at each lot	No. of investors who shall receive minimum bid-lot (to be selected on lottery)	Allotment Ratio Determined	No. of shares allotted per allottee (minimum lot size)
A	B	C	D=(B*C)	E	F = E:C	G
1	20	10,000	200,000	$8750=(175000/200000)*10000$	7:8	20
2	40	10,000	400,000	8,750	7:8	20
3	60	10,000	600,000	8,750	7:8	20
4	80	10,000	800,000	8,750	7:8	20
5	100	20,000	2,000,000	17,500	7:8	20
6	120	20,000	2,400,000	17,500	7:8	20
7	140	15,000	2,100,000	13,125	7:8	20
8	160	20,000	3,200,000	17,500	7:8	20
9	180	10,000	1,800,000	8,750	7:8	20
10	200	15,000	3,000,000	13,125	7:8	20
11	220	10,000	2,200,000	8,750	7:8	20
12	240	10,000	2,400,000	8,750	7:8	20
13	260	10,000	2,600,000	8,750	7:8	20
14	280	5,000	1,400,000	4,375	7:8	20
15	300	15,000	4,500,000	13,125	7:8	20
16	320	10,000	3,200,000	8,750	7:8	20
	Total	200,000	32,800,000	175,000		

In this case if the number of shares applied by an applicant whose bid was unsuccessful due to failure/ error on part of SCSB is 20 shares or multiples thereof, then the minimum compensation is calculated as under:

$$\text{Compensation} = (\text{Rs. } 325 - \text{Rs. } 300) * 20 * (7/8) = \text{Rs. } 437.50$$

22. Timeline for payment of compensation

The amount of compensation for deficiencies in various categories of Banking Services as mentioned in this Policy should be paid to the customers within 15 (fifteen) days after the deficiency is acknowledged.



23. Failed Transactions

Harmonisation of Turn Around Time (TAT) and customer compensation for failed transactions using authorised Payment Systems

Sl. no.	Description of the incident	Framework for auto-reversal and compensation	
		Timeline for auto-reversal	Compensation payable
I	II	III	IV
1	Automated Teller Machines (ATMs) including Micro-ATMs		
a	Customer's account debited but cash not dispensed.	Pro-active reversal (R) of failed transaction within a maximum of T + 5 days.	₹ 100/- per day of delay beyond T + 5 days, to the credit of the account holder.
2	Card Transaction		
a	<u>Card to card transfer</u> Card account debited but the beneficiary card account not credited.	Transaction to be reversed (R) latest within T + 1 day, if credit is not effected to the beneficiary account.	₹ 100/- per day of delay beyond T + 1 day.
b	<u>Point of Sale (PoS) (Card Present) including Cash at PoS</u> Account debited but confirmation not received at merchant location i.e., charge-slip not generated.	Auto-reversal within T + 5 days.	₹ 100/- per day of delay beyond T + 5 days.
c	<u>Card Not Present (CNP) (e-commerce)</u> Account debited but confirmation not received at merchant's system.		

3	Immediate Payment System (IMPS)		
a	Account debited but the beneficiary account is not credited.	If unable to credit to beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
4	Unified Payments Interface (UPI)		
a	Account debited but the beneficiary account is not credited (transfer of funds).	If unable to credit the beneficiary account, auto reversal (R) by the Beneficiary bank latest on T + 1 day.	₹100/- per day if delay is beyond T + 1 day.
b	Account debited but transaction confirmation not received at merchant location (payment to merchant).	Auto-reversal within T + 5 days.	₹100/- per day if delay is beyond T + 5 days.

24. Digital Payment Security Controls

Going by the pre-eminent role being played by digital payment systems in India, RBI gives highest importance to the security controls around it. Now it is proposed to issue Reserve Bank of India (Digital Payment Security Controls) Directions 2020, for regulated entities to set up a robust governance structure for such systems and implement common minimum standards of security controls for channels like internet, mobile banking, card payments, among others. While the guidelines will be technology and platform agnostic, it will create an enhanced and enabling environment for customers to use digital payment products in more safe and secure manner.

Publicity of the Policies

Wide publicity is given to the above policies formulated by Bank by placing them prominently on the Web-site and copy of policy is available with Branches.

C. CUSTOMERS' RESPONSIBILITY:

Bank will not be responsible for the loss to the customers due to customer's carelessness in keeping the Cheque book, passbook, cards, PIN or other security information and not following "Do's and Don'ts" issued by the Bank, until the Bank has been notified by the customer.

Customer acts fraudulently and/or acts without reasonable care which has resulted in loss to him/ her. Bank will also not be responsible for the losses arising out of misuse of lost PIN, compromise of passwords or confidential information, until the time the Bank has been notified of such loss/ compromise and has taken steps to prevent its misuse.



CALL CENTRE TOLL FREE NO

- Canara Bank - 1800 425 0018, 1800 103 0018, 1800 208 3333, 1800 3011 3333
- Non Toll Free Numbers (if calling from outside India) - +91-80-22064232

Call Centre is functioning 24x7. Bank has a dedicated team to attend the calls of Customers/ General Public on banking related issues.

N.B. - Customers are requested to call on our mentioned Toll Free Numbers only for any complaints/ issues. Bank shall not be responsible for any consequences arising out of customers calling any other unverified numbers.

D. AMENDMENT/ MODIFICATION OF THE POLICY:

The Bank reserves the right to amend/ modify this Policy, as and when deemed fit and proper, at its sole discretion. However, the Bank shall endeavor to review the Policy at annual intervals.

E. COMPLIANCE/ MONITORING OF IMPLEMENTATION OF THE POLICIES

Implementation of policy at Branches will be checked by Inspection Wing during RBIA & Concurrent inspection and deviations will be reported to Circles/ SP&D Wing, HO.

Overseeing Executive of MIPD & PP Section/ Customer Service Section in Circle to ensure that all Regional offices are adhering to the Policy guidelines.

Overseeing Executive of MIPD & PP Section in Regional Office to ensure that all Branches are adhering to the policy guidelines.

F. DISCLAIMER CLAUSE:

Notwithstanding anything contained here above, the Bank shall not pay any compensation in the following cases:-

- i) Any deficiency in regard to loans and advances activities of the Bank.
- ii) Dishonor of at par payment agreement with other banks, due to non-funding and security compliance.
- iii) Delays on account of non-functioning of business due to factors beyond the control of the bank the period covered by such events shall be omitted for calculation of delay etc.
- iv) Where the issues are sub-judice and pending before Courts, Ombudsman, arbitrator, Government and matter put on hold due to stay.