

**CITY UNION BANK LIMITED, CENTRAL OFFICE
KUMBAKONAM**



POLICY ON COMPENSATION (FOR CUSTOMERS)

February 2024

Para No.	Particulars	Page No.
1	Introduction	3
2	Objective	3
3	Framework	3
4	Unauthorised / Erroneous Debit by the Bank	4
5	Unauthorised Electronic Transactions reported by customers	4
6	ECS direct debits/other debits to accounts	5
7	Payment of Cheques after Stop Payment Instructions	6
8	Payment of Interest for delayed Collection of Outstation Cheques	6
9	Recovery of wrong RTGS/NEFT credits	7
10	Compensation for loss of instrument in Transit	7
	10.a Cheques / Instruments lost in transit / in clearing process or at paying bank's branch	7
11	Issue of Duplicate Draft and Compensation for delays	8
12	Transaction of "at par instruments" of Co-operative Banks by Commercial Banks	8
13	LOCKERS : Liability of the Bank	9
14	ATM Failure	9
15	Responsible Lending Conduct – Release of movable / immovable property documents on repayment / settlement of personal loans	13
16	Framework for compensation to customers for delayed updation / rectification of credit information	14
17	Foreign Exchange Services	15
18	Policy on compensation for delay in crediting process of Export Collection Bills	16
19	Policy on compensation for delay in crediting process of Foreign Inward Remittances	17
20	Wealth Management Products	17
21	Compensation to Retail Individual Investors (RII) in an IPO	17
22	Violation of the Code by banks agent	19
23	Force Majeure	19
24	Amendment / Modification / Review of the Policy	20

POLICY ON COMPENSATION (FOR CUSTOMERS)

1) Introduction:

Technological progress in payment and settlement systems and the qualitative changes in operational systems and processes that have been undertaken by various players in the market have enabled market forces of competition to come into play to improve efficiencies in providing better service to the users of the system. It will be the bank's endeavor to offer services to its customers with best possible utilization of its technology infrastructure. Withdrawal of the Reserve Bank of India instructions to banks on time frame for collection of outstation cheques, payment of interest on delayed collection of outstation cheques/instruments, with effect from 1st November 2004, had offered bank further opportunities to increase its efficiency for better performance. This Compensation policy of the bank is therefore, designed to cover areas relating to unauthorized debiting of account, payment of interest to customers for delay in collection of cheques/instruments, payment of cheques after acknowledgement of stop payment instructions, remittances within India, foreign exchange services, lending, etc. The policy is based on principles of transparency and fairness in the treatment of customers.

2) Objective

The objective of this policy is to establish 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. By ensuring that the customer is compensated without having to ask for it, the bank expects instances when the customer has to approach Banking Ombudsman or any other Forum for redressal to come down significantly.

3) Framework

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

4) **Unauthorised / Erroneous Debit by the Bank:**

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 after taking into consideration all relevant factors.

b. In case verification of the entry reported to be erroneous by the customer does not involve a third party, the bank will endeavor 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 or where verifications are to be done at overseas centers, the bank shall strive to complete the verification process within a maximum period of one month from the date of reporting of unauthorized / erroneous transaction by the customer

c. Unauthorised Erroneous transaction reported by customers in respect of credit card operations, which require reference to a merchant establishment will be handled as per rules.

5) **Unauthorised Electronic Transactions reported by customers**

As per the circular no.DBR.No.Leg.BC.78/09.07.005/2017-18 July 6, 2017 issued by the Reserve Bank of India, a Board Approved Customer Protection Policy for unauthorized electronic Banking transactions reported by customers is in force, which cover, 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 our Customer Protection Policy.

6) ECS direct debits/other debits to accounts:

6.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.

6.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.

6.c. The issue of unsolicited cards/upgradation is strictly prohibited. In case, an unsolicited card is issued/existing card upgraded and activated without the explicit consent of the recipient and the latter is billed for the same, the Bank shall not only reverse the charges forthwith, but also pay a penalty without demur to the recipient amounting to twice the value of the charges reversed. In addition, the person in whose name the card is issued can also approach the RBI Ombudsman, who would determine the amount of compensation payable by the card-issuer to the recipient of the unsolicited card, as per the provisions of the Ombudsman Scheme, i.e., for loss of complainant's time, expenses incurred, harassment and mental anguish suffered by him/her.

6.d. Any request for closure of a credit card shall be honoured within seven working days by the credit card-issuer, subject to payment of all the dues by the cardholder. Subsequent to the closure of the credit card, the cardholder shall be immediately notified about the closure through email, SMS, etc. The cardholders shall be provided with an option to submit request for closure of credit card account through multiple channels such as helpline, dedicated e-mail-id, Interactive Voice Response (IVR), prominently visible link on the website, internet banking, mobile-app or any other mode. The card-issuer shall not insist on sending a closure request through post or any other means which may result in the delay of receipt of the request. Failure on the part of the card-issuers to complete the process of closure within seven working days shall result in a penalty of ₹500 per day of delay payable to the customer, till the closure of the account, provided there is no outstanding in the account.

7) 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 4 above. Such debits will be reversed within 2 working days of the customer intimating the transaction to the bank.

8) Payment of Interest for delayed Collection of 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 specified in Bank's cheque collection policy. 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) Savings Bank rate for the period of delay beyond 3 working days in case of local cheques
- b) Savings Bank rate for the period of delay beyond 7 days in collection of outstation cheques payable at CTS Centres and 10 days in non CTS Centres
- c) Where the delay is beyond 14 days interest will be paid at the rate applicable to term deposit for the respective period.
- d) 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.
- e) In the event of the proceeds of cheque under collection was 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.

This clause is applicable for the delay occurred in crediting the proceeds received through Payment and Settlement System viz., NEFT, RTGS etc.,

9) Recovery of wrong RTGS/NEFT credits:

In case of wrong credit of RTGS/ NEFT transactions, the responsibility for accurate input lies with the remitting customer/ the originating Bank. The Bank as a recipient Bank would process the credits to the beneficiaries of RTGS/NEFT based solely on the account number informed by the remitting customer through the originating bank. In the event of a credit to a wrong beneficiary by the bank, the reason for which is attributable to the wrong information received from the originating Bank / the remitting customer, the Bank will facilitate for recovery of the amount from the account holder.

For refund of the amount to the originating Bank, the Bank would request for an indemnity to be issued by the originating Bank. Once the indemnity is received from the originating Bank and accepted by our Bank, the Bank would refund the entire amount (without interest) / part amount (without interest) based on the availability of balance in the account, within two business days of the receipt of the indemnity.

10) Compensation for loss of instrument in Transit:

The bank's Compensation Policy (for customers) 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 Collection Policy. The same is extracted below:

10.a) 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 accountholder so that the accountholder can inform the drawer to record stop payment and also take care that cheques, if any, issued by him / her are not dishonoured 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.

In line with the compensation policy of the bank the bank will compensate the accountholder in respect of instruments lost in transit in the following way:

10.a.i) In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (3/7/14 days as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified above (S.No.8).

10.a.ii) 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.

10.a.iii) 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.

11) 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 along with submission of documents as prescribed by the Bank's. For delay beyond the above stipulated period, interest at the rate applicable for Fixed deposit of Corresponding period will be paid as compensation to the customer for such delay.

12) 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.

13) LOCKERS: Liability of the Bank

The Bank owes a separate duty of care to exercise due diligence in maintaining and operating their locker or safety deposit systems. The duty of care includes ensuring proper functioning of the locker system, guarding against unauthorized access to the lockers and providing appropriate safeguards against theft and robbery. The responsibility of the Bank for any loss or damage to the contents due to their negligence will be as under:

1. Liability of bank arising from natural calamities like earthquake, flood, thunderstorm, lightning etc. or due to sole negligence of the customer

The bank shall not be liable for any damage and/or loss of contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer. Bank shall, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.

2. Liability of bank arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the bank

It is the responsibility of the bank to take all steps for the safety and security of the premises in which the safe deposit vaults are housed. It has the responsibility to ensure that incidents like fire, theft/ burglary/ robbery, dacoity, building collapse do not occur in the bank's premises due to its own shortcomings, negligence and by any act of omission/commission. As bank cannot claim that they bear no liability towards their customers for loss of contents of the locker, in instances where loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by its employee(s), the bank's liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

14) ATM Failure:

Harmonisation of Turn Around Time(Tat) and Customer Compensation for Failed Transactions using Authorised Payment Systems:

In conformity to the framework advised by RBI vide ARBI 2019-20/67 DPSS CO PD No.629/02.01.014/2019-20 dated September 20, 2019 to handle customer complaints emanating on account of unsuccessful or failed transactions not directly attributable to

the customers such as disruption of communication links, non availability of cash in ATMs, time out sessions, non credit to beneficiary account due to various causes, the compensation payable to the customers under various scenarios shall be as follows :

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	Card to card transfer 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	Point of Sale (PoS) (Card Present) including Cash at PoS Account debited but confirmation not received at merchant location i.e., charge-slip not	Auto-reversal within T + 5 days	₹ 100/- per day of delay beyond T + 5 days.

c	Card Not Present (CNP) (e-commerce) Account debited but confirmation not received at merchant's system	Auto-reversal within T + 5 days	₹ 100/- per day of delay beyond T + 5 days.
3	Immediate Payment System (IMPS)		
a	Account debited but the beneficiary account is not credited.	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.
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	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.
5	Aadhaar Enabled Payment System (including Aadhaar Pay)		
a	Account debited but transaction confirmation not received at merchant location	Acquirer to initiate "Credit Adjustment" within T + 5 days	₹100/- per day if delay is beyond T + 5 days.
b	Account debited but beneficiary account not	Acquirer to initiate "Credit Adjustment"	₹100/- per day if delay is beyond

	credited	within T + 5 days	T + 5 days.
6	Aadhaar Payment Bridge System (APBS)		
a	Delay in crediting beneficiary's account.	Beneficiary bank to reverse the transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day
7	National Automated Clearing House (NACH)		
a	Delay in crediting beneficiary's account or reversal of amount.	Beneficiary bank to reverse the uncredited transaction within T + 1 day.	₹100/- per day if delay is beyond T + 1 day
b	Account debited despite revocation of debit mandate with the bank by the customer.	Customer's bank will be responsible for such debit. Resolution to be completed within T + 1 day	₹100/- per day if delay is beyond T + 1 day
8	Prepaid Payment Instruments (PPIs) – Cards / Wallets		
a	<u>Off-Us transaction</u> The transaction will ride on UPI, card network, IMPS, etc., as the case may be. The TAT and compensation rule of respective system shall apply		
b	On-Us transaction Beneficiary's PPI not credited. PPI debited but transaction confirmation not received at merchant location.	Reversal effected in Remitter's account within T + 1 day	₹100/- per day if delay is beyond T + 1 day

15) Responsible Lending Conduct – Release of movable / immovable property documents on repayment / settlement of personal loans

The Bank has adopted the fair practices code advised by RBI. The Bank should release all the original movable/ immovable property upon receiving full repayment and settlement of loan account and remove charges registered with any registry within a period of 30 days.

In case the Bank receives any complaint/ claim/demand from the Borrower(s)/ Guarantor(s), legal heirs, executors, successors, joint owners/holder(s) etc intimating the Bank about inter se disputes and /or not to hand over the title documents or hand over the same to particular person(s), etc. Bank shall direct the parties to resolve their disputes and thereafter approach the bank with joint application signed by all concerned for release of such title documents or obtain necessary direction from competent authority / court. Till such time, the Bank shall not be liable to release the title documents to the Borrower/ Guarantor(s) (as the case may be) and shall not be liable to pay any party.

The borrower shall be given the option of collecting the original movable / immovable property documents either from the banking outlet / branch where the loan account was serviced or any other office of the Bank where the documents are available, as per her / his preference.

In the event of demise of the sole borrower or joint borrowers, the Branches shall return the original movable / immovable property documents to the legal heirs of the borrower(s).

In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, Bank should communicate to the borrower reasons for such delay. In case where the delay is attributable to the Bank, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.

In case of loss/damage to original movable / immovable property documents, either in part or in full, the Bank shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated above. However, in such cases,

an additional time of 30 days will be available to the Bank to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

16) Framework for compensation to customers for delayed updation / rectification of credit information

a) Complainants shall be entitled to a compensation of Rs.100 per calendar day in case their complaint is not resolved within a period of thirty days(30) from the date of the initial filing of the complaint by the complainant with Credit Institutions (CI) and Credit Information Companies (CIC).

Explanation:

(i) Section 21(3) of Credit Information Companies (Regulation) Act 2005 (CICRA,2005) provides that a complainant may request CIC or CI to update the credit information by making appropriate correction, addition or otherwise, and on such request the CI or CIC shall take steps to update the credit information within 30 days after being requested to do so.

(ii) Rule 20(3) of the CIC rules, 2006 provides that CI shall forward the corrected particulars of the credit information to the CIC or complainant within a period of twenty-one (21) days from the date when the CI was informed of the inaccuracy in the credit information.

(iii) The combined reading of Sec21(3) of CICRA, 2005 and rule No.20(3)(c) of Credit Information Company Rules, 2006 provide the CI and the CIC, collectively, an overall limit of thirty(30) days, to resolve/dispose of the complaint. In effect, this would mean that a CI would get twenty-one(21) days and CICs would effectively get the remainder of nine(9) days for complete resolution of the complaint.

b) A CI shall pay compensation to the complainant if the CI has failed to send updated credit information to the CI by making appropriate correction or addition or otherwise within (21) calendar days of being informed by the complainant or a CIC.

c) A CIC shall pay compensation to the complainant if the CI has failed to resolve the complaint within 30 calendar of being informed by the complainant or a CI, despite

the CI having furnished the updated credit information to the CIC within twenty(21) calendar days of being informed by the complainant or the CIC.

d) The complainant shall be advised by the CI/CIC of the action taken on the complaint in all cases, including the cases where the complaint has been rejected. In cases of rejection, the reasons for rejection shall also be provided by the CI and CIC.

e) Compensation to be provided by the CIC/CI to the complainant (for delayed resolution beyond thirty (30) days of filing the complaint) shall be apportioned among the CIs/CIC concerned proportionately.

f) The compensation amount shall be credited to the Bank account of the complainant within five (5) working days of the resolution of the complainant.

g) The complainant can approach RBI ombudsman, under Reserve Bank – Integrated Ombudsman Scheme 2021, in case of wrongful denial of compensation by CIs or CICs.

i) This compensation framework will come into effect from 26.04.2024 as directed by RBI.

17) Foreign Exchange Services:

The bank shall offer collection services on cheques denominated in foreign currency at its own discretion subject to collection arrangement in place with Overseas correspondent Banks.

The Bank would not compensate the customer for any delay 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. 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, may consider upfront credit against such instrument by purchasing the cheque/instrument, provided the conduct of the account has been satisfactory in the past.

After receipt of proceeds into the nostro account, the bank shall pass the credit to the customer on 15th international business day of the respective currency in which the cheques were denominated, subject to that day being business day in Chennai and Mumbai.

Any delay in crediting the funds beyond 15th international business day shall be compensated as under.

1. Interest for the delayed period shall be paid @ 2% over the Savings Bank rate of interest.
2. Compensation for adverse exchange movement, if any, shall be paid for the delayed credit. The exchange rate difference shall be calculated taking into account the exchange rate actually applied and the exchange rate prevailing at 11 AM on the 15th working day from the date of receipt of funds in Nostro account. Working days shall be the days on which Mumbai interbank market is functioning.

18) Policy on compensation for delay in crediting process of Export Collection

Bills:

- 1) As per FEDAI rule 2.5.C bank shall pay interest for delayed credit of export proceeds where the credit of funds are transferred beyond second working day from the date of credit in Nostro account subject to the exporter complying with FEMA guidelines and also subject to fulfilling our bank's requirement for crediting the export proceeds.
- 2) For delayed credit, interest shall be paid at the minimum interest rate charged on Export Credit (at present 13%).
- 3) Compensation for adverse exchange movement, if any, shall be paid for the delayed credit. The exchange rate difference shall be calculated taking into account the exchange rate actually applied and the exchange rate prevailing at 11 AM on the second working day from the date of receipt of funds in Nostro account. Working days shall be the days on which Mumbai interbank market is functioning.

19) Policy on compensation for delay in crediting process of Foreign Inward Remittances:

- 1) As per FEDAI rule 4.5 bank shall pay interest for delayed credit of Inward remittances where the credit of funds are transferred beyond second working day from the date of credit in Nostro account subject to the exporter/customer complying with FEMA guidelines and also subject to fulfilling our bank's requirement for crediting the inward remittances proceeds.
- 2) For delayed credit, interest shall be paid 2% over the Savings Bank interest rate.
- 3) Compensation for adverse exchange movement, if any, shall be paid for the delayed credit. The exchange rate difference shall be calculated taking into account the exchange rate actually applied and the exchange rate prevailing at 11 AM on the second working day from the date of receipt of funds in Nostro account. Working days shall be the days on which Mumbai interbank market is functioning.

20) 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 of 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 shall be paid legitimate compensation due to him/her.

21) Compensation to Retail Individual Investors (RII) in an IPO:

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 (IPO) 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 Exchange system concerned 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 the 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:

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

Compensation = (Listing price* - Issue Price) X No. of shares that would have been allotted if bid was successful X 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*

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.

22) 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, the bank is committed to investigate the matter and endeavor to communicate the findings to the customer within 7 working days from the date of receipt of complaint and wherever justified, compensate the customer for financial loss, if any, as contemplated under this policy.

23) 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 s, 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.



24) Amendment / Modification / Review of the Policy:

The Bank reserves its right to amend / modify this policy, as and when it is deemed fit and proper, at its sole discretion at least once in three years.
