



CUSTOMER COMPENSATION POLICY

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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 SBMBI'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 SBM Bank (India) Limited (SBMBI) is designed to cover areas such as unauthorized debiting of account, payment of interest to customers for delayed 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.

The objective of this policy is to establish a system whereby SBMBI compensates the customer for any financial loss he/she might incur due to deficiency in service on the part of SBMBI or any act of omission or commission directly attributable to SBMBI. By ensuring that the customer is compensated without having to ask for it, SBMBI expects instances when the customer has to approach the Banking Ombudsman or any other Forum for redressal to come down significantly.

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

2. UNAUTHORISED / ERRONEOUS DEBIT

If SBMBI 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 SBMBI in a loan account, SBMBI 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, SBMBI will compensate the customer to the extent of such financial losses subject to discussion and agreement between the bank and the customer.

In case verification of the entry reported to be erroneous by the customer relates to a transaction passed within the previous 18 months, SBMBI 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 the transaction is more than 18 months old, SBMBI shall complete the verification process

within a maximum period of one month from the date of reporting of erroneous transaction by the customer.

3. ECS DIRECT DEBITS/OTHER DEBITS TO ACCOUNTS

SBM-India undertakes to carry out direct debit/ ECS debit instructions of customers in time subject to

- customer having already provided valid mandate to accept any debit received from ECS and
- Direct debit / ECS mandate received is complete and correct.

In the event of failure to carry out the instruction subject to clauses (a) and (b) as above for reasons directly attributable to the bank, the customer shall be compensated at the prevailing fixed deposit interest rate for the period between the due date of direct / ECS debit and the date of actual debit carried out by the bank.

SBMBI would debit the customer's account with any applicable service charge as per the schedule of charges notified by SBMBI. In the event SBMBI levies any charge in violation of the arrangement, SBMBI 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.

4. UNIFORMITY IN PENAL INTEREST PAYABLE FOR DELAYS IN CREDIT/RETURN OF NEFT/NECS/ ECS TRANSACTIONS

SBMBI needs to afford credits to beneficiary accounts or return transactions (unaccredited for whatever reason) to the originating / sponsor bank within the prescribed timeline. In case of any delay, SBMBI will be subject to penal provisions specified by RBI guidelines from time to time. SBMBI shall take note of the following RBI modifications:

NECS / ECS Credit

- Destination Bank would be held liable to pay penal interest at the current RBI Repo Rate plus two per cent from the due date of credit till the date of actual credit for any delayed credit to the beneficiaries' account. Penal interest shall be credited to the Beneficiary's Account even if no claim is lodged by the customer.

NEFT

- In the event of any delay or loss on account of error, negligence, or fraud on the part of an employee **or technical issue at the end** of the destination bank in the completion of funds transfer pursuant to receipt of payment instruction by the destination bank leading to delayed payment to the beneficiary, the destination bank shall pay compensation at current RBI LAF **Repo Rate** plus two per cent for the period of delay for credit to the beneficiary's a/c. In the event of delay in return of the funds transfer instruction for any reason whatsoever, the destination bank shall refund the amount together with interest at the current RBI LAF Repo Rate plus two per cent till the date of refund.
- During the NEFT operating hours, the originating bank shall endeavour to put through the requests for NEFT transactions received by them, either online or across the counters, preferably in the next available batch but, in any case, not exceeding two hours (from the business hours next day), from the time of receipt of the requests. In

the likelihood of any delay / possible delay in adhering to this requirement, the originators / customers shall be informed of the delay / possible delay and the reasons for the same.

- In terms of the RBI ECS (Credit Clearing) procedural guidelines which clearly stipulate that if a destination bank branch is not in a position to credit a particular transaction for reason like "Account Closed/ transferred"; "No such Accounts"; "Account description does not tally"; etc. it shall report the same and forward it to the Service Branch/ Main Branch on the same settlement day.

5. PAYMENT OF CHEQUES AFTER STOP PAYMENT INSTRUCTIONS

In case a cheque has been paid after stop payment instruction is acknowledged by SBMBI, SBMBI 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 Section 3 above. Such debits will be reversed within 2 working days of the customer intimating the transaction to SBMBI.

6. FOREIGN EXCHANGE SERVICES

SBMBI would not compensate the customer for delays in collection of cheques designated in foreign currencies sent to foreign countries as SBMBI would not be able to ensure timely credit from overseas banks. It is SBMBI'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, may consider upfront credit against such instrument by purchasing the cheque/instrument, provided the conduct of the account has been satisfactory in the past. SBMBI will compensate the customer for undue delays in affording credit once proceeds are credited to the Nostro Account of SBMBI 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:

- Interest for the delay in crediting proceeds as indicated in the cheques collection policy of SBMBI.
- Compensation for delays in affording credit on foreign inward remittances will be as recommended in FEDAI Rule 4 (reproduced as **Appendix 1**). For any possible loss on account of adverse movement in foreign exchange rate, if any claim is made by customer, the branch will compensate the customer after consulting treasury and obtaining approval of CEO.

7. PAYMENT OF INTEREST FOR DELAYED COLLECTION OF OUTSTATION CHEQUES

As part of the compensation policy of SBMBI, SBMBI 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 SBMBI'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:

- At 4% p.a. for the period of delay beyond 7/10/14 days as the case may be in collection of outstation cheques.
- Where the delay is beyond 14 days interest will be paid at the rate applicable for term deposit for the corresponding respective period.
- 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.
- 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.
- Payment of interest as above would be applicable only for instruments sent for collection in India.

8. COMPENSATION FOR LOSS OF INSTRUMENT IN TRANSIT

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

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, SBMBI 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 dishonored due to non-credit of the amount of the lost cheques / instruments. SBMBI 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 SBMBI SBMBI will compensate the accountholder in respect of instruments lost in transit in the following way:

- In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7/10/14 days as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified above.
- In addition, bank will pay interest on the amount of the cheque for a further period of 15 days at 4% p.a.* to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- SBMBI would also compensate the customer for any reasonable charges (up to Rs.500/-) 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.
- In line with Uniform Rules for Collection (URC) 522, article 14 SBMBI assumes no liability or responsibility for the consequences arising out of delay and /or loss in transit of instruments or for delay, mutilation or other error(s) arising in transmission of any telecommunication or for error(s) in translation and/or interpretation of technical terms. Further the bank will not be liable or responsible for any delays resulting from the need to obtain clarification of any instructions received.

- If the Cheque/ instrument has been lost at the paying bank branch, the collecting banker would have a right to recover the amount reimbursed to the customer for the loss of cheque / instrument from the paying banker.

*Subject to change

9. 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 of Corresponding period will be paid as compensation to the customer for such delay.

10. COMPENSATION IN CASE OF FRAUDS

In case of any fraud, if the branch is convinced that an irregularity / fraud has been committed by its staff towards any constituent, the branch shall at once acknowledge its liability and pay the just claim, (ii) in cases where SBMBI is at fault, the banks shall compensate customers without demur, and (iii) in cases where neither SBMBI is at fault nor the customer is at fault but the fault lies elsewhere in the system, then also the SBMBI shall compensate the customers (up to a limit) as part of a Board approved customer relations policy.

11. VIOLATION OF THE CODE BY BANK'S AGENT

In the event of receipt of any complaint from the customer that SBMBI's representative / courier as engaged in any improper conduct or acted in violation of the Code of Bank's Commitment to Customers which SBMBI has adopted voluntarily, SBMBI 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.

12. TRANSACTION OF "AT PAR INSTRUMENTS" OF CO-OPERATIVE BANKS BY COMMERCIAL BANKS

SBMBI will not honor cheques drawn on current accounts maintained by other banks with it unless arrangements are made for funding cheques issued. Issuing bank shall be responsible to compensate the cheque holder for non-payment/delayed payment of cheques in the absence of adequate funding arrangement.

13. LENDER'S LIABILITY; COMMITMENTS TO BORROWERS

SBMBI has adopted the principles of lenders of liability. In terms of the guidelines for lenders liability, and the Code of Bank's Commitment to customers adopted by SBMBI, SBMBI would endeavor to return to the borrowers all the securities/documents/title deeds to mortgaged property within 30 days of repayment of all dues agreed to or contracted. SBMBI 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 SBMBI the compensation will cover out of pocket expenses for obtaining duplicate documents plus a lump sum amount as decided by SBMBI.

Delay in release of securities / documents / title deeds:

1. The original title documents shall be returned to the borrower(s) / guarantor (s) within 30 days of repayment of all dues by the borrower(s) / Guarantor(s). The dues include principal amount, interest, service charges and all other amounts due under any financial facility availed by the borrower(s) / guarantor(s)

There will be no compensation paid to the borrower(s) / Guarantor(s) in following circumstances:

- Force Majeure events
- If there is delay on part of the borrower(s) / Guarantor(s). e.g. Any of the borrower(s) / Guarantor(s) is not availed or does not have required Identify Proof to prove that he is the same person.
- If the borrower(s) / Guarantor(s) has changed his/her residential / mailing address / phone numbers and have not intimated the bank and bank is not able to contact them for collection of original title documents. (Intimation by way of phone, letter or email to anyone of the borrower(s) / Guarantor(s) will be deemed intimation to all borrower(s) / Guarantor(s)).

14. Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans

SBMBI are required to release all movable / immovable property documents upon receiving full repayment and closure of loan account.

Release of Movable / Immovable Property Documents

The SBMBI shall release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.

Compensation for delay in release of Movable / Immovable Property Documents

2. 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, the SBMBI shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the SBMBI, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.
3. In case of loss/damage to original movable / immovable property documents, either in part or in full, the SBMBI 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 at paragraph 1 above. However, in such cases, an additional time of 30 days will be available to the SBMBI to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

15. PAYMENT OF COMPENSATION TO EXPORTERS FOR DELAYED CREDIT OF EXPORT BILLS

In case of the delay in affording credit in respect of credit advices complete in all respects, the compensation stipulated by FEDAI shall be paid by SBMBI to the exporter client, without waiting for a demand from the exporter.

16. LIABILITY OF CUSTOMERS IN UNATHORISED ELECTRONIC BANKING TRANSACTIONS

16.1 Zero Liability of a Customer:

A customer's entitlement to zero liability shall arise where the unauthorized transaction occurs in the following events:

- Contributory fraud/ negligence/ deficiency on the part of the bank (irrespective of whether or not the transaction is reported by the customer).
- Third party breach where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, and the customer notifies the bank within three working days of receiving the communication from the bank regarding the unauthorized transaction.

16.2 Limited Liability of a Customer:

A customer shall be liable for the loss occurring due to unauthorised transactions in the following cases:

- In cases where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorised transaction to the bank. Any loss occurring after the reporting of the unauthorised transaction shall be borne by the bank.
- In cases where the responsibility for the unauthorized electronic banking transaction lies neither with the bank nor with the customer but lies elsewhere in the system and when there is a delay (of four to seven working days after receiving the communication from the bank) on the part of the customer in notifying the bank of such a transaction, the per transaction liability of the customer shall be limited to the transaction value or the amount mentioned in Table 1, whichever is lower.

Maximum Liability of a customer – Table 1

Type of Account	Maximum Liability (₹)
<ul style="list-style-type: none"> • BSBD Accounts 	5,000
<ul style="list-style-type: none"> • All other SB accounts. • Pre-paid Payment Instruments and Gift Cards • Current/Cash Credit/Overdraft Accounts of MSMEs • Current Accounts/Cash Credit/Overdraft Accounts of Individuals with annual average balance (during 365 days preceding the incidence of fraud)/limit up to Rs. 25 Lakh • Credit Cards with limit up to Rs. 5 Lakh 	10,000
<ul style="list-style-type: none"> • All other current/cash credit/overdraft accounts • Credit cards with limit above Rs. 5 Lakh 	25,000

Further, if the delay in reporting is beyond seven working days, the customer liability shall be determined as per the bank's Board approved policy. Banks shall provide the details of their policy in regard to customers' liability formulated in pursuance of these directions at the time of opening the accounts. Banks shall also display their approved policy in public domain for wider dissemination. The existing customers must also be individually informed about the bank's policy.

Overall liability of the customer in third party breaches, where the deficiency lies neither with the bank nor with the customer but lies elsewhere in the system, is summarised below in the Table 2:

Time taken to report the fraudulent transactions from the date of receiving the communication	Customer's Liability
Within 3 working days	Zero Liability
Within 4 to 7 working days	The transaction value or the amount mentioned in Table, whichever is lower
Beyond 7 working days	On case-to-case basis.

The number of working days shall be counted as per the working schedule of the home branch of the customer excluding the date of receiving the communication. On being notified by the customer, the bank shall credit (shadow reversal) the amount involved in the unauthorized electronic transaction to the customer's account within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any).

The delay in reporting unauthorized transactions beyond seven working days:

Further, if there is delay in reporting the case which is beyond seven working days by the customer concerned, the customer liability shall be decided on case-to-case basis after conducting the thorough investigation of the case and evaluating all the aspects of the fraudulent transaction. The decision in this regard will be taken by concerned authorities as per the SBMBI's chart of approval.

On being notified by the customer, the bank shall credit (shadow reversal) the amount involved in the unauthorized electronic transaction to the customer's account within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any).

16.3 Reversal Timeline for Zero Liability/ Limited Liability of customer

On being notified by the customer, the bank shall credit (shadow reversal) the amount involved in the unauthorised electronic transaction to the customer's account within 10 working days from the date of such notification by the customer (without waiting for settlement of insurance claim, if any). Banks may also at their discretion decide to waive off any customer liability in case of unauthorised electronic banking transactions even in cases of customer negligence. The credit shall be value dated to be as of the date of the unauthorised transaction.

Further, bank shall ensure that:

- a complaint is resolved and liability of the customer, if any, established within such time, as may be specified in the bank's Board approved policy, but not exceeding 90 days from the date of receipt of the complaint, and the customer is compensated as per provisions of paragraphs 6 to 9 above.
- where it is unable to resolve the complaint or determine the customer liability, if any, within 90 days, the compensation to be paid to the customer, and
- in case of debit card/ bank account, the customer does not suffer loss of interest

17. HARMONISATION OF (TAT) AND CUSTOMER COMPENSATION FOR FAILED TRANSACTIONS USING AUTHORISED PAYMENT SYSTEMS

I. 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>	Transaction to be reversed (R) latest	₹ 100/- per day of delay beyond T + 1 day.

	Card account debited but the beneficiary card account not credited.	within T + 1 day, if credit is not effected to the beneficiary account.	
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.
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 credited.		
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	₹100/- per day if delay is beyond T + 1 day.

		transaction within 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.	
8	Prepaid Payment Instruments (PPIs) – Cards / Wallets		
A	<u>Off-Us</u>		transaction
	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	<u>On-Us</u> 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.

General Instructions covering the TAT:

- I. The principle behind the TAT is based on the following:
 - a. If the transaction is a 'credit-push' funds transfer and the beneficiary account is not credited while the debit to originator has been effected, then credit is to be effected within the prescribed time period failing which the penalty has to be paid to the beneficiary;
 - b. If there is delay in initiation of a transaction at the originator bank's end beyond the TAT, then penalty has to be paid to the originator.
- II. A 'failed transaction' is a transaction which has not been fully completed due to any reason not attributable to the customer such as failure in communication links, non-availability of cash in an ATM, time-out of sessions, etc. Failed transactions shall also include the credits which could not be effected to the beneficiary account on account of lack of full information or lack of proper information and delay in initiating a reversal transaction.
- III. T is the day of transaction and refers to the calendar date.
- IV. R is the day on which the reversal is concluded, and the funds are received by the issuer / originator. Reversal should be effected at the issuer / originator end on the same day when the funds are received from the beneficiary end.

18. LOSS OR DAMAGE TO THE CONTENT OF SAFE DEPOSIT LOCKER

SBM 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. SBM Bank to, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.

Liability of SBM bank arising from events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of SBM Bank. SBM Bank shall be responsible for taking all steps for the safety and security of the premises in which the safe deposit vaults are housed and ensuring that incidents like fire, theft/ burglary/ robbery, dacoity, building collapse do not occur in SBM Bank's premises due to its own shortcomings, negligence and by any act of omission/commission. However, as SBM 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), SBM Bank' liability in such cases shall be limited to an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

Refer Deposit locker and safe custody policy of SBM Bank.

19. CASH MANAGEMENET SERVICES

For customers availing Cash Management Services (CMS), collection of instruments is carried out as per the terms of the bilateral agreement between the bank and customers. Penalties, if any, will be payable as per the terms of the agreement.

Refer Cash Management Policy of SBM Bank.

20. FORCE MAJEURE

SBMBI 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 SBMBI'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 SBMBI prevents it from performing its obligations within the specified service delivery parameters.

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

- Any deficiency in regard to loans and advances activities of the bank.
- Dishonor of at par payment agreement with other banks, due to non-funding and security compliance.

- 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.
- Where the issues are sub-judice and pending before Courts, Ombudsman, arbitrator, government and matter put on hold due to stay.
- A customer shall be liable for the loss occurring due to unauthorized transactions in the where the loss is due to negligence by a customer, such as where he has shared the payment credentials, the customer will bear the entire loss until he reports the unauthorized transaction to the bank. Any loss occurring after the reporting of the unauthorized transaction shall be borne by the bank.