

MERCHANT CUM CUSTOMER PROTECTION FUND OF PAYU PAYMENTS PRIVATE LIMITED: CLAIMS PROCEDURE

IMPORTANT NOTE

IT MUST BE NOTED THAT ANY DECISION WITH REGARD TO ANY CLAIMS BEING VALID OR NOT WILL BE THAT OF PAYU AND THE SAME WILL BE FINAL AND BINDING ON MERCHANTS AND CUSTOMERS MAKING ANY CLAIMS UNDER THIS CLAIMS PROCEDURE.

I. BACKGROUND

- 1.1. PayU Payments Private Limited ("**PayU**") provides, amongst others, aggregate payment gateway solutions ("**PayU Aggregation Services**") to various Merchants which enable such Merchants to receive payments from Customers for any products/ services purchased by such Customers from Merchants (through the Merchant Platform). In doing so, PayU receives the transaction amounts from Customers into its pooling account(s), which are then settled onward to the respective Merchants.
- 1.2. In the course of providing PayU Aggregation Services as described above, there may be instances where certain funds of Merchants or of Customers may remain unclaimed and as a result, such funds would remain in the pooling account(s) of PayU.
- 1.3. Accordingly, in order to protect the interest of Merchants and Customers and to discharge its obligations as an intermediary, acting in good faith, PayU will transfer all Unclaimed Funds into a specially designated account named as the Merchant cum Customer Protection Fund (the "**Merchant cum Customer Protection Fund**").
- 1.4. In order that Merchants and/or Customers are able to make a Claim with regard to any Unclaimed Funds that rightfully belong to them, PayU is creating and publishing this Claims procedure ("**Claims Procedure**") with the objective of providing clear guidance for Merchants and Customers in relation to any Claims.
- 1.5. This Claims Procedure is applicable only to PayU Aggregation Services and not to any other services, products or offerings of PayU.

[Notice: PayU will deal with Unclaimed Funds in accordance with its internal policies / Merchant cum Customer Protection Fund and will not transfer any Unclaimed Funds Category 1 to its profit and loss account for at least three years from the date of credit of such funds into the nodal or escrow account of PayU, as the case may be. If and when a Merchant or a Customer approaches PayU for claiming any Unclaimed Funds (including any Unclaimed Funds Category 1 that have been transferred to its profit and loss account in accordance with its internal policies / Merchant cum Customer Protection Fund), then the same shall be handled by PayU in accordance with this Claims Procedure.]

II. DEFINITIONS

- 2.1 "**Claim**": (a) with respect to a Merchant means a claim by a Merchant with regard to any amounts that have been received by PayU in relation to payment transaction(s) processed by PayU for a Merchant using PayU Aggregation Services; and (b) with respect to a Customer means any amounts that have been paid by a Customer to a Merchant through PayU Aggregation Services and include any amounts in relation to chargebacks, cancellations or refund.
- 2.2 "**Claims Officer**" means an officer appointed by PayU for the purposes of receiving, evaluating and settling or rejecting Claims.
- 2.3 "**Customer(s)**" means an individual or a legal entity who/which has purchased any products/services offered by a Merchant on the Merchant Platform on which the related payment transaction has been processed using PayU Aggregation Services.
- 2.4 "**Governmental Authority**" means the Government of India or any government of a foreign state or government of any province or state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any Government, including any Government authority, agency, department, board, commission, any court, tribunal or arbitrator; and any self-regulatory organization.
- 2.5 "**Merchant(s)**" means an individual or legal entity that has availed PayU Aggregation Services for collection and processing of payments initiated by Customers for purchase of products/services on the Merchant Platform.
- 2.6 "**Merchant Platform**" in relation to a Merchant, means the mobile application and/or website of such Merchant on which products/services are offered by the Merchant to the Customers.

III. UNCLAIMED FUNDS: CATEGORISATION

- 2.7 Unclaimed Funds that will be transferred to the Merchant cum Customer Protection Fund by PayU will be classified by PayU into the following two categories of Unclaimed Funds Category 1 and Unclaimed Funds Category 2 (collectively referred to as "**Unclaimed Funds**" in this Claims Procedure):

Unclaimed Funds Category 1:

Unclaimed Funds Category 1 includes, among other things:

- (a) settlement amounts of Merchants kept on hold by PayU for reasons such as non-delivery of products or services, delayed delivery of products or services or non-submission of proof of delivery by Merchants;
- (b) settlement amounts of Merchants kept on hold upon identification of potentially suspicious or fraudulent transactions, pursuant to the internal risk evaluation and control mechanism deployed by PayU or acquiring institutions or issuing institutions or card schemes or escrow/nodal banks;
- (c) settlement amounts of Merchants kept on hold due to reasons such as partial compliance or non-compliance with any policies and requirements of PayU in relation to on-boarding of Merchants and their due-diligence, or any other issues such as reconciliation issues;
- (d) settlement amounts of Merchants kept on hold due to chargebacks or other related issues or non-representation or non-submission of required documents to contest chargeback or disputes by Merchants;
- (e) settlement amounts of Merchants kept on hold due to any chargeback amounts where the chargeback process of the applicable card scheme / card association is incomplete or the chargeback window is still open, including for instance, any cases held up subject to arbitration proceedings or any other similar or associated reasons under the card scheme / card association rules;
- (f) settlement amounts of Merchants kept on hold due to reasons such as the use of PayU Services on a website or mobile application other than Merchants' website or mobile application;
- (g) settlement amounts of Merchants kept on hold due to misuse of salt and key issued to Merchants under the integration specification;
- (h) settlement amounts of Merchants kept on hold due to incomplete know-your-customer checks on account of non-compliance by Merchants or non-submission of sufficient information and documents by Merchants to PayU in relation to such checks;
- (i) settlement amounts of Merchants kept on hold due to Merchants having changed their line of business or Merchants utilizing PayU Services for a purpose other than purposes disclosed to PayU;
- (j) settlement amounts of Merchants kept on hold where internal investigations of PayU indicate that the transactions of Merchants related to potentially illegal activities such as dealing in counterfeit goods or restricted/ banned categories of products or services or where Merchants seem to have any connections with any suspicious jurisdictions; and/or
- (k) any residual category of settlement amounts that do not fall within the categories described above or within the category of Unclaimed Funds Category 2 (as described below).

Unclaimed Funds Category 2:

Unclaimed Funds Category 2 includes, among other things:

- (a) settlement amounts of Merchants kept on hold where one or more Customers of Merchants have raised any complaints with any governmental authority claiming any misconduct or criminal conduct by Merchants;
- (b) settlement amounts of Merchants kept on hold where any governmental authority/law enforcement agency/competent court or tribunal has instructed PayU or acquiring institutions or issuing institutions or card schemes or escrow/nodal banks to hold the settlement amounts; and/or
- (c) settlement amounts of Merchants kept on hold where the Merchants are undergoing any insolvency/bankruptcy proceedings or are being wound up or liquidated.

IV. WHO CAN CLAIM AND WHAT CAN BE CLAIMED BY A CLAIMANT?

- 4.1 A Claim under this Claims Procedure can be made by a "**Claimant**" where the expression Claimant means a Merchant or a Customer, as the case may be, making a Claim in accordance with the terms of this Claims Procedure and includes their successors.
- 4.2 Under this Claims Procedure, Claimants can make a Claim against Unclaimed Funds or other disputed funds. It must be noted, however, that: (a) where the Claimant is a Merchant, a Claim can be made with regard to Unclaimed Funds Category 1 under this Claims Procedure only where a period of 270 days has elapsed from the date of the settlement hold being put by PayU and (b) where the Claimant is a Customer, a Claim will be entertained by PayU only where any amounts claimed by the Customer have been the subject of a settlement hold by PayU, that is, such amounts have not been already settled to the Merchant by PayU (where the settlement to the Merchant has already been effected by PayU, the Customer must pursue any claims directly against the Merchant).

V. CLAIMS PROCEDURE:

Level 1 - Claim lodgement procedure

A Claim can be made in accordance with the lodgement procedure specified below:

- a) A Claimant can raise a Claim by sending an email to the designated Claims Officer on claimsofficer@payu.in.
- b) A Claim filed by the Claimant will be required to be accompanied by the following information and supporting documents ("**Claim Supporting Documents**"):
 - 1) For Merchants:
 - (i) Name of the Merchant;
 - (ii) Details of the Merchant Platform (if applicable);
 - (iii) Email address as registered with PayU together with contact details;
 - (iv) Merchant identification number (MID);
 - (v) Transaction Ids and amounts in question;
 - (vi) PayU unique reference Id;
 - (vii) Date and time of transaction(s);
 - (viii) Identification documents of the Merchant together with details and documents relating to authorised signatories including copy of PAN card of the Merchant and of the authorised signatories;
 - (ix) A copy of the service agreement entered into between the Merchant and PayU, together with any addenda to the same;
 - (x) Copy of bank statement in relation to the settlement account of the Merchant;
 - (xi) Description of the Claim; and
 - (xii) Any supporting documents in relation to the Claim that the Merchant may wish to furnish to support the Claim.
 - 2) For Customers:
 - (i) Name of the Customer;
 - (ii) Email address and contact details;
 - (iii) Transaction Id and amount;
 - (iv) Date and time of the transaction;
 - (v) Details of the Merchant Platform on which the transaction was undertaken;
 - (vi) Details of the payment mechanism or instrument used for carrying out the transaction, in accordance with instructions provided by PayU;
 - (vii) Identification documents of the Customer, that is, PAN card, Passport or any other proof of identity as specified by PayU;
 - (viii) Description of the Claim together with description of products or services paid for through PayU Aggregation Services; and
 - (ix) Any supporting documents in relation to the Claim that the Customer may wish to furnish to support the Claim.
- c) Upon receipt of a Claim by the Claims Officer, the Claims Officer will respond to the Claimant within a period of 7 (seven) working days acknowledging the receipt of the Claim and providing a unique claim reference number for the Claim ("**Claim Reference Number**").
- d) Within 30 (thirty) working days of receiving the particulars of the Claim and the identity documents of the Claimant, together with Claim Supporting Documents, the Claims Officer will evaluate the Claim details and the Claim Supporting Documents and will take either of the following actions:
 - 1) Request any additional information or documentation from the Claimant for establishing the Claim and the right of the Claimant to make the Claim;
 - 2) arrive at a decision whether a particular Claim is to be accepted or rejected or partially accepted or partially rejected; and
 - 3) Communicate such acceptance or rejection or partial acceptance or partial rejection of the Claim to the Claimant by email.
- e) Where a Claim has been accepted by the Claims Officer in whole or in part, the amounts calculated by the Claims officer in relation to such Claim will be remitted to a bank account of the Claimant or to the source account (from where payment for any transactions were made) of the Claimant within a period of 20 (twenty) working days from the date of communication of Claim acceptance by the Claims Officer.

Level 2 - Claims escalation procedure with Risk and Operations Head

- a) In case any Claimant does not receive a response within the timelines specified under Level 1 (Claim lodgement procedure), the Claimant will be able to escalate the grievance/complaint to the Risk and Operations Head on the below provided contact details:

Risk and Operations Head

PayU Payments Private
Limited

9th Floor, Bestech Business Tower, Sector 48, Sohna Road, Gurgaon, Haryana, Pin –
122004 Email Address: riskopshead@payu.in

- b) In cases of escalations, the Claimant will be required to provide the following details to the Risk and Operations Head:
- i) Name of the Claimant;
 - ii) Claim Reference Number;
 - iii) Date of Claim Lodgement at Level 1;
 - iv) Response provided or additional document(s) requested by Claims Officer at Level 1 (if any); and
 - v) Description of the grievance.
- c) All grievance received by the Risk and Operations Head will be acknowledged at the earliest with a unique claim escalation number and will be resolved within 30 (thirty) working days.

