# JAMMU AND KASHMIR GRAMEEN BANK MERCHANT ACQUISITION POLICY APPLICABLE w. e. f. May 01, 2025 (Date: 01-05-2025) (Next Due Date: 30-04-2026)

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#### 1. Introduction

Merchant Acquiring is a crucial aspect of the payment ecosystem that enables businesses to accept electronic payments from customers. The common methods for accepting payments are Point of Sale (POS), Quick Response Code (QR). QR codes have gained significant popularity in the recent years especially in mobile driven markets.

Bank has been persistently endeavouring in empowering our merchant clients with latest tools for establishment of strong delivery mechanism and as a major development towards meeting growing expectations / demands of our valuable merchants / customers.

Merchant acquiring through POS, QR offers several benefits and expands the payment options for customers, enhances transaction security and improves efficiency by reducing cash handling and manual data entry. It also provides financial institutions and merchants with valuable transaction data and reporting enabling them to better understand customer preferences and optimize business operations.

#### 2. Objective

The objective of defining a policy for merchant acquiring is to establish clear guidelines, procedures and standards that govern the process of on-boarding and managing merchants who accept electronic payments. This policy is a comprehensive document aimed to define the processes and procedures to be followed at operative levels to achieve consistency, timely service, transparency and compliance in the merchant acquiring operations.

#### 3. Scope/Applicability

The guidelines are applicable to all Branches/Offices of the Bank involved in handling electronic payment processing such as POS, UPI-QR services, its settlement & dispute management processes.

#### 4. Compliance to Regulatory Prescriptions/Guidelines

RBI vide circular RBI/2015-2016/410 DPSS. CO.PD. No./2894/02.14.003/ 2015-2016 dated: May 26, 2016 prescribed that Banks may put in place their own Board approved policy on merchant acquisition. It is certified that the Policy has been formulated in compliance with RBI directions.

#### 5. Merchant Acquiring

Bank provides electronic payments acceptance facilities to merchants through following modes:

- POS (Point of sale)
- UPI-QR

#### 6. POS (Point of Sale)

#### 6.1. Definition of POS

POS (Point of Sale) machine is an electronic device through which a customer can make payment to merchant in exchange for goods or after provision of a service through debit/credit cards.

#### 6.2. Types of POS Offered by the Bank

The variants of POS terminals offered to Merchant Establishments are;

- i. GPRS enabled Point of Sales (POS) wireless terminal.
- ii. PSTN Landline Terminal
- iii. Wi-Fi based Terminal

#### **6.3. Facilities on POS Terminals**

The POS machines deployed by the Bank shall be provided with the following basic facilities:

- Acceptance for Master, Visa and RuPay Credit Cards.
- Acceptance for Master, Visa and RuPay Debit Cards.

# 6.3.1 <u>Following add-on facilities are also available on POS terminals on case to case basis,</u> as requested by the merchant:

• International Card Acceptance

Branches after obtaining a written communication from the Merchant Establishment shall raise the request for the same via mail to dac.hoj@jkgb.in. The request shall be further forwarded to the vendor for enabling the requisite service. MDR in such cases shall vary from the prescribed MDR and will be communicated to the branch via mail.

If International Card Acceptance facility is required, the ME has to submit an undertaking as per the format available in "Annexure-C" and kept with the branch for their record.

#### 6.4 **Application Process and Issuance Criteria at Branch:**

The POS services have been made available at all Branches of the Bank. The POS can be offered to customers maintaining Business Accounts with the Bank.

While identifying MEs (Merchant Establishments) for installation of POS machines, the following points may need to be borne in mind as a risk control measure:

- i) Compliance on KYC Norms,
- ii) Market Reputation
- iii) Type of Merchandise traded,

<sup>\*\*</sup>POS terminal procured on rental basis shall be treated as per the agreement with the vendor.

- iv) Past record of dealing with our bank, which should not be less than 6 (six) month
- v) Utility of our POS machines at the ME (Merchant Establishment), and
- vi) Other Bank's POS machines at the ME (Merchant Establishment), if installed

The POS terminals shall be issued to Merchant Establishments from the parent Branch of the customer, as per their request, subject to fulfilling following criteria;

- a.) Merchant Relationship Form (Annexure B) to be filled-up completely by the Merchants.
- b.) Obtaining of 5 (five) set of documents from the Merchant which are as :-
  - \* Copy of Registration Certificate under Shops and establishments Act.

OR

Copy of GST registration certificates.

- \* Copy of Partnership Deed, Memorandum of Association, Articles of Association, Power of Attorney (in case of partnership firms or companies).
- \* Copy of Rent receipt or telephone bill or electricity bill.
- \* Proof of signature of the authorised signatory.
- \* Passport / Voter ID Card/Driving License / PAN Card of the sole proprietor or anyone of the partners / directors.
- c) Merchant Agreement (agreement between Bank and Merchant) duly notarized and executed on stamp paper of value₹100/- (Annexure A)
- d.) Full KYC documents needs to be sought.

In addition to above the Branch shall ensure the following points;

- i. The Branch must mandatorily visit the merchant location for ascertaining the line of Business.
- ii. All prospective Merchants should be educated about the Banks MDR as applicable from time to time. The same should also be shared with the Merchant formally with acknowledgement. The Merchants should also be educated to keep the terminal in safe custody at all times to avoid any misuse/tampering.
- iii. The documents required to be obtained with POS Applications along with the agreement booklet should be complete in all respects. The POS agreement is an important document which contains all the terms and conditions governing the transactions including liabilities of the merchant, transaction handling, indemnification to the bank, Chargeback conditions etc. The application and agreement in physical form should be duly signed by both the Merchant and the Branch Head and the same should be kept in safe custody at the Branch level for any future reference after keeping a proper record on a separate register

All POS issuing Branch after proper KYC and completion of all the above documentation shall submit Merchant requests online through POS Option in Finacle for POS terminal installation which follows a Maker / Checker concept. The Branch shall ensure to select the correct Merchant Category Code and Merchant Type details in the POS application. For any clarifications on Merchant category code and

Merchant Type the Branch can raise the query via mail to DAC.

The POS Team shall process the terminal request and initiate the installation process within prescribed TAT. The manual process of making requisitions through email/letters etc. shall not be entertained.

#### 6.5 POS Application Processes: -

#### **6.5.1** Merchant On-boarding:

The POS requisitions from Branches shall be downloaded from the POS application by POS team and after proper verification of Account number and Title the same shall be forwarded to the vendor for MID/TID creation and subsequent installation of POS. The POS team shall follow up with the vendor field support to ensure installation of POS terminal at Merchant Site within prescribed TAT. After installation of the POS the record for Rental deduction shall be created in POS Rent Module.

#### 6.5.2 Add-on, Replacement and De-installation requests:

For Add-on terminal / replacement/ de-installation request customer shall approach the Branch with a written communication. For additional terminal the branch shall apply through the POS option in Finacle. For De Installation the branch shall raise the request in POS menu option with reasons for de-installation. The POS team shall forward the change request to the vendor and follow up with the vendor field support to ensure add-on / replacement / de-installation of POS terminal at Merchant Site. Post completion of the change request the record for Rental deduction shall be created/updated in POS Rent Module.

#### **6.5.3 Damaged or non-recovered terminals:**

The damaged or non-recoverable terminals from the merchant at the time of de-installation request shall be charged to Merchants at per the Agreement.

#### **6.5.4 TAT for POS services:**

- The TAT for installation is 7 to 10days, which can be increased depending on the terrain and weather conditions.
- Complaint for the renovation can be made by calling on toll free-numbers printed on the devices.
- If the complaint still remains unattended, the complaint for the same can be raised with DAC via

User manual for POS registration and deregistration is annexed as 'E'

#### 7. <u>UPI-QR</u>

#### 7.1 <u>Definition of UPI-QR</u>

UPI QR (Scan & Pay) is a digital payment acceptance channel displayed at the merchant establishment to facilitate receipt of payments by scanning the QR Code from any UPI linked mobile app. This solution comes with the Sound box which is not just a QR code scanner, but also provides a voice payment confirmation. In

addition to the sound box facility, m-swipe app will be provided to merchants to keep real time track of their payments UPI QR has following features:

- i. Interoperable: Customers can use any of the apps that support UPI and pay using any UPI App.
- **ii. Hassle Free:** Fast and secure interface that enables customers to use their smart phones to make cashless payments. Hence, customers need not to carry physical Cards. It also enables instant money transfer via mobile device 24×7 for all 365 days.
- **iii. Secure:** A single click payment makes the UPI system quite attractive; customer's Card details are not exposed to any third party.

#### 7.2 Definition of Sound Box

Sound box is a small portable speaker designed for payment alerts for UPI QR transactions. When a customer makes a payment by scanning the QR code, the Sound box will notify merchants of successful payments with a voice alert.

The Sound Box has the following salient features:

- Portable Design: Easy to carry and use on the go
- **SIM-Based Connectivity**: Allows for receiving payment alerts without the need for Wi-Fi or Bluetooth connection
- **High Quality Sound:** Provides clear and crisp audio for alerts and notifications.
- Long Battery Life: Ensures extended usage without frequent charging.
- User Friendly Interface: Simple and Intuitive controls for easy operation
- Compatibility: Works with all Payments apps which support UPI payments.

#### 7.3 Procedural Guidelines for Providing UPI-OR Services

#### 7.3.1 Merchant on Boarding:

#### i) Eligibility criteria for availing UPI-QR services:

The UPI-QR services have been made available at all Branch of the Bank. The services can be offered to customers maintaining Business Accounts with the Bank. Further small merchants having savings account can also avail QR services of the bank.

#### 7.3.2 Requisite Documentation

UPI-QR Merchant Agreement shall be required for availing QR services through soundbox only.

The UPI-QR Agreement form is available as Annexure F.

#### 7.3.3 Creation of UPI-QR Code

After receipt of requisite documents from the merchant, the concerned branch has to submit the request in QR portal, after the following vitals are obtained: -

- *i.* Merchant Agreement (agreement between Bank and Merchant) duly notarized and executed on e-stamp paper of value of Rs.100 must be obtained. -Annexure-F
- *ii.* Braches shall verify the KYC of the customers requesting to avail the QR service.
- *iii.* Branches must ensure that correct Merchant Unit address must be entered while submitting request since the device will be delivered to that address only.

#### 8. <u>Settlement of Funds</u>

The Credit of transaction proceeds to merchant accounts in case of POS is T+1 basis provided the merchant ends the batch on the POS terminal.

For UPI-QR, the settlement of transactions in all three modules will be instant. Customers do not need to wait for settlement; they will receive the funds in their linked account number instantly.

Our POS vendor has a Fraud risk management system (FRM) in place for analyzing any probable risk. Any such transaction that has been put on hold by the vendor cannot be released until the scrutiny of documents submitted by the respective merchants in support of the transactions is done.

Any correspondence on settlement/chargeback/refund issues shall be raised by the branch to Digital& Alternate Channel Cell at following email ids:

- helpdesk@jkgb.in
- dac.hoj@jkgb.in

#### 9. Charges Structure of POS/QR

The MDR shall be levied on merchant in case of POS based on the merchant category they fall into and the type of card involved. MDR applicable shall be as per Charges Structure of the Bank from time to time and shall be in compliance to the Regulatory guidelines. The charges structure for POS is detailed at Annexure "D".

#### 10.Preferential Pricing

In case where the customer appeals for wavier off rental changes, or the branch favours for such exemptions looking at the business given by the merchant, the branches shall submit the recommendations/requests to the concerned Regional Office, for onward submission to DAC Department. The final call for wavier shall be vested with the General Manger of the Bank.

# 11. Compliance with KYC Norms/ AML Standards / CFT / Obligation of Banks Under PMLA, 2002

The instructions / guidelines on KYC / AML / CFT applicable to banks, issued by RBI from time to time, shall be adhered to in respect of all Merchant Acquisitions.

#### 12. Changes in Product Features and Tariff

All features and charges will be subject to change from time to time as per the regulatory / statutory guidelines, market dynamics and internal strategic decisions for operational purposes.

#### 13. Customer Confidentiality

Bank should not reveal any information related to customers obtained at the time of opening the account or providing POS/ UPI-QR facility to any other person or organization without

Obtaining their specific consent except when it believes that the law requires it or to protect the rights, property or interests of the Bank.

#### **14.Disclosure of the Policy**

The policy shall be for the internal use and shall be placed on Bank's intranet under policies tab.

#### 15. Ownership and Review of Policy

The ownership of the policy shall lie with Digital & Alternate Channels Cell, and shall be subject to review. Review of the policy will be put up to the Board for approval after 3 years or as and when considered necessary by the Management/ Board of Directors of the Bank. Approved Policy & Guidelines shall remain in force till next review.

To be in line with regulatory / statutory guidelines, the GM & Chairman of the Bank is empowered to approve changes /modifications/ amendments/ relaxations/ exemptions, if any, required to be made in the policy and same will be placed before the Board for ratification.

#### **Annexures**

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#### Annexure A

# Agreement for PoS Machine Installation

THIS AGREEMENT is made on the date and place mentioned in item No.1 of the Schedule hereunder written, **BETWEEN** 

The person named in Item No 2 of the Schedule, having its address/office(s) at the address mentioned in Item No 2 of the Schedule hereunder written (hereinafter referred to as "the Merchant Establishment/ME", which expression shall unless it be repugnant to the context or meaning here of shall be deemed to mean and include (i) in the case of the ME being a sole proprietary concern / individual- the heirs, administrators, executors, legal representatives and permitted assigns of the Proprietor; (ii) in the case of the ME, being a partnership firm-the partners for the time being and from time to time of the firm, the survivor or survivors of them, their respective heirs, administrators, executors, legal representatives and permitted assigns and (iii) in the case of the ME; being a company – its successors and assigns ( as the case maybe) of the ONE PART;

#### **AND**

JAMMU AND KASHMIR GRAMEEN BANK, a Regional Rural Bank incorporated under the Regional Rural Banks Act,1976 and licensed/ authorized to carry its banking business under the Banking Regulations Act, 1949 and having its registered office at HEAD OFFICE. NARWAL, JAMMU-180006, (hereinafter referred to as "the Bank" which expression shall unless it be repugnant to the context or meaning thereof shall be deemed to mean and include its successors and assigns) of the OTHER PART. The ME and the Bank are hereinafter collectively referred to as 'parties' and individually as a 'party'.

#### WHEREAS

- i. The Bank is engaged in Banking business and as a part of its banking operations is engaged in the business of processing payments for establishments in respect of payments sought to be made by way of debit/credit cards (as hereinafter provided).
- ii. The ME undertakes the business stated in item no.3 of the Schedule hereunder written. The premises of the ME are situated at the address/es specified in item no.4 of the Schedule hereunder written.
- iii. The ME is desirous of being approved as an establishment for the purposes of payment processing of transactions made by credit/debit cards (as hereinafter provided) from the address/es specified in item no.4 of the Schedule hereunder written on the terms and conditions hereinafter mentioned;

#### IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS UNDER:

#### 1. Definitions

For the purpose of this Agreement, the terms set forth in this Article, when used in this Agreement either in singular or plural forms are defined to mean, unless the context otherwise requires, the following:

- A. "Authorisation" shall mean the process by which the Bank confirms to the ME whether the Valid Card of the Card Holder has the required credit limit/funds (as the case may be) to make payments for the transaction with the ME as more particularly described in Article 2 hereunder.
- B. "Card Holder" shall mean a person holding a Valid Card.
- C. "EDC" shall mean point of sale electronic data capture (EDC) terminals, printers, other peripherals and accessories, including pin pads and necessary software to run the devices in respect of or in connection with or with regard to all the EDC devices owned by the Bank and located at the ME.

- D. "**Equipment**" shall mean the EDC including any replacement, modifications, enhancements and/or additions as the Bank thinks fit. If the Bank permits any Manual Processing in accordance with this Agreement, the term "Equipment" shall include any equipment provided for such processing.
- E. "Imprinted Chargeslip" shall mean the chargeslip used for the purpose of Manual Processing and which chargeslip has the imprint of the card and other details for completion of a Valid Card transaction manually (without use of the EDC Terminal).
- F. "Manual Processing" shall mean the process of Authorising the payments for a transaction manually and without any electronic confirmation through such mechanism as maybe stipulated by the Bank from time to time and requiring the use of such equipment as the Bank may specify.
- G. "ME Commission" shall mean the fees payable by the ME to the Bank for payment processing as hereinafter provided.
- H. "**Premises**" shall mean the place/s of business of the ME mentioned in item no.4 of the Schedule hereto where the Equipment is agreed to be installed by the Bank.
- I. "Promotional Material" shall include all posters, stickers, brochers, decales, take ones, signage's, advertisements and any other material which is used to promote the payment processing services of the Bank offered under this Agreement.
- J. "Settlement Amount" shall mean the transaction amount less the ME Commission and any other related charges/fee payable by the ME to the Bank.
- K. "Business Hours" shall mean the usual business hours of the ME as specified in Item no.6 of the Schedule hereunder written.
- L. "Transaction amount" shall mean the amount payable by the Valid Cardholder on the transactions offered by the ME as per the invoice issued by the ME and printed on the sales receipt of the EDC terminal, inclusive of all sales tax, Octroi, service tax and such other statutory dues that may be applicable and imposed.
- M. "Terminal Sales Record/Receipt" shall mean the receipt produced by the EDC terminal on completion of Authorization of a Valid Card transaction containing such details as may be specified by the Bank from time to time.
- N. "Valid Card" shall mean an unexpired card issued by any institution designated to issue a Visa, MasterCard, Visa Electron or a Maestro or other card as may be specified by the Bank from time to time provided that the card is not listed in a current warning or restricted card bulletins or notices and bears the signature of the person whose name is embossed on the card.
- O. "Chargeback" means a Transaction that is returned to the Bank by the Issuer.
- P. "Chargeslip" means an electronic or paper record of a Transaction generated on a premises using Equipment.
- Q. "Issuer" means a licensee of a Card Organisation issuing a Card.
- R. "Warning Bulletin" means a bulletin or any other communication issued by the Bank or any other VISA/MasterCard licensee informing the ME of lost, stolen, invalid and cancelled cards.

#### 2. INSTALLATION OF EQUPIMENT AND PROCESSING OF PAYMENTS:

#### 2.1 CONSENT FOR INSTALLATION OF EQUIPMENT

i. Where the ME is the Owner of the Premises:

The ME hereby expressly agrees and consents to the installation of the Equipment at the Premises to enable the

processing of payments for transactions made by Valid Cards.OR

ii. Where the ME is a lessee, licensee, or not the full owner-of the Premises:

The ME has obtained all necessary permission to permit the Bank to install the Equipment at the Premises to enable the processing of payments for transactions made by Cardholders.

#### 2.2 PAYMENT PROCESSING:

- 2.2.1 The Bank hereby approves the ME as an establishment for the purpose of processing payments on Valid Cards.
- 2.2.2 The ME shall obtain Authorization for a payment in the following manner:
  - a) Upon the Card Holder producing the card for the purpose of payment, the ME shall confirm the following (i) whether the card is a Valid Card (ii) that the end is an original card and that the same bears the logo, the name of the issuing bank, a genuine hologram of the issuing member organization and such other details as may be stipulated by the Bank from time to time; (iii) The card is not mutilated or altered card; (iv) If the card is a photo card, the ME shall also verify that the photograph on the card matches with the Card Holder; (v) The signature panel strip on the card is normal;

- b) ensure, in case when the Card is a credit card, that the first four digits of the card number are found printed on the face of the card positioned either above or below the first four embossed number. [To clarify, in case of a credit card bearing number 5240980000012345 the first four numbers reading 5240 should appear printed on the face of the card and positioned above or below the place where the number 5240 appear embossed.
- c) Obtain photocopy of front and back of the card and photocopy of the passport of the cardholder in case of transaction conducted on an international credit card where the transaction amount exceeds Rs.10,000/-.
   (ME shall not accept pre-photocopied copy of the passport that may be readily provided by the cardholder to you).
- d) After the ME has completed the above verification, the ME shall swipe the card in the EDC and enter the details of the transaction/card upon being requested. If the Bank so requires that the Card Holder be required to enter any PIN number, the ME shall ensure that the Customer is permitted to do so and that the Card Holder is given sufficient privacy for the same.
- e) The ME shall ensure that the signature of the Card Holder is obtained on the Terminal Sales Record/Receipt. The ME shall specifically verify the Card Holder's signature on the Terminal Sales Record with the signature of the Card Holder on the Valid Card. The ME shall also verify the card number with the card number on the Terminal sales Record/Receipt. Only in the event of the same matching should the ME complete the transaction. The ME shall not complete the transaction in the event of any doubt in respect of either of the above.
- Notwithstanding the aforesaid, ME shall obtain additional Authorisation for Transactions in excess of floor limits as may be stipulated by the Bank from time to time or when the ME has reason to believe that the Card may be stolen or counterfeit or in any other suspicious circumstances.
- g) ME shall, in the event of a Card included in the Warning Bulletin being presented for Transaction, use all peaceful attempts to retain such Card and shall forthwith intimate about such retention to the Bank and deliver the Card to the Bank.
- h) The ME shall provide to the Card Holder the Card Holder's copy of the Terminal Sales Record/Receipt duly completed.
- i) It is hereby clarified that mere Authorization of a payment request, does not guarantee the payment, and actual payment shall be subject to the other provisions of this Agreement.
- 2.2.3 The Bank may in its discretion provide to the ME the option of Manual Processing, without being bound to do so. Such Manual Processing shall be available only for the processing of payments in respect of Valid Credit Cards and shall not be applicable for any debit cards. In the event of the ME being provided the option of Manual Processing the ME shall obtain Authorization in the following manner:
  - a) Upon the Card Holder producing the card for the purpose of payment, the ME shall confirm the following (i) whether the card is a Valid Card and that it is not listed under any warning bulletins or any restricted card bulletins;(ii) that the card is an original card and that the same bears the logo, the name of the issuing bank, a genuine hologram of the issuing member organization and such other details as may be stipulated by the bank from time to time;(iii) The card is not mutilated or altered card;(iv) If the card is a photo card, the ME shall also verify that the photograph on the card matches with the Card Holder;(v) The signature panel strip on the card is normal;
  - b) After the ME has completed the above verification the ME shall imprint the card on a charge slip. All details of the transaction as required in the Imprinted Charge slip shall be physically entered in the Imprinted Charge slip.
  - c) Thereupon the ME shall obtain such telephonic or other Authorization from the Bank as may be stipulated by the Bank from time to time. The Bank may stipulate limits for all such transactions from time to time and the ME shall strictly comply with all such limits.
  - d) Upon receiving the Authorization, the ME shall ensure that the Card Holder places his signature on the Imprinted Charge slip. The ME shall specifically verify the Card Holder's signature on the Imprinted Charge slip with the signature of the Card Holder on the Valid Card. Only in the event of the same matching should the ME complete the transaction. The ME shall not complete the transaction in the event of any doubt in this regard.
  - e) The ME shall provide to the Card Holder the Card Holder's copy of the Imprinted Charge slip upon being duly completed.
  - f) It is hereby clarified that mere Authorization of a payment request, does not guarantee the payment, and actual payment shall be subject to the other provisions of this Agreement.
- 2.2.4 Notwithstanding the aforesaid the ME shall obtain additional prior authorization from the Authorization center of the Bank in the event of the transaction amount being in excess of such floor lin-tits as may be

- stipulated by the Bank from time to time or that the ME has reason to suspect that the card may be stolen or counterfeit and/or in any other suspicious circumstances.
- 2.2.5 The Bank shall, subject to the other terms and conditions of this Agreement, release the payment to the ME as provided in Article [5] of this Agreement.
- i) The Bank may in its discretion modify the aforesaid procedures for payment processing from time to time and shall intimate the ME of such modification from time to time. The ME shall strictly comply with such payment processes from time to time.
- ii) In the event of a card which is part of a warning bulletin/restricted card bulletin being presented at any time, the ME shall use all peaceful attempts to retain and hold back the said card and shall forthwith intimate the same to the Bank and deliver the card to the Bank.

#### 3. CONSIDERATION FOR PAYMENT PROCESSING SERVICES:

- a) In consideration of the Bank agreeing to render the payment processing services contained in Article 2 above, the ME shall pay the Bank the ME Commission at the rate as specified in Item no.6 of the Schedule hereunder written or such other rate as specified by the Bank from time to time. In the event of the Bank modifying the said ME Commission the Bank shall forthwith intimate the same to the ME.
- b) The ME hereby expressly and irrevocably agrees that the ME has not entered into this Agreement in reliance on any representation, statement or warranty (whether written or oral and whether express or implied) made by or on behalf of the Bank, other than as has been expressly set out herein.

#### 4. OBLIGATIONS AND COVENANTS OF THE ME:

#### A. Equipment and its operation:

- 1. The ME hereby agrees, undertakes and covenants to do the following:
  - a) Use the Equipment installed by the Bank in the ME's Premises only in the manner and for the purpose as provided in this Agreement. The ME shall ensure that the Equipment is maintained in good condition.
  - b) Pay the Bank all the expenses that may be incurred by the Bank for repairing/replacing the Equipment which may get damaged as a result of the improper handling by the ME.
  - c) Provide all reasonable assistance for the prevention and detection of fraud in respect of usage of the EDC terminal.
  - d) Operate the EDC only in accordance with and comply with such instructions as the Bank may give the ME from time to time.
  - e) Bear responsibility for any electricity, consumed by the Equipment.
  - f) Bear responsibility for any telephone line-and any telephone line charges payable in connection with the Equipment.
  - g) Ensure that all times during the Business Hours at least two members of the ME's staff (a sales person and a supervisor) who have been trained to operate the Equipment are available.
  - h) Report promptly to the Bank any faulty or suspected fault in the operation of the Equipment within one hour from knowledge thereof;
  - i) Keep strictly confidential all information received from the Bank in connection with the Equipment and will disclose the same only to those of its staff who require information for the purpose of the operation of the Equipment and/or for effecting the transactions.
  - j) Not remove the Equipment from the place where they are originally deployed by the Bank.
- 2. The ME hereby agrees, undertakes and covenants not to do the following:
- a) Sell, assign, transfer, lease or otherwise cause or allow or attempt to cause or allow, any dealings with/of the Equipment or permit any encumbrance on the Equipment to be created.
  - b) The ME hereby irrevocably agrees and acknowledges that the Bank is the owner of the Equipment supplied to the ME and the same shall remain the property of the Bank and shall be surrendered to the Bank -on demand or upon termination of this Agreement. If so required by the Bank, the ME shall specifically place such stickers on the Equipment to indicate the same.
    - c) Remove, conceal or alter any markings, tags or places attached to the EDC terminal(s) or part of the EDC terminal which indicates the Bar&s ownership of the EDC terminal.
    - d) Alter, modify or otherwise tamper with the programme in the EDC.
    - e) Cause or allow the Banks right to access, -repossession or disposition of the Equipment pursuant to this Agreement or otherwise to be encumbered in anyway or jeopardised by any act of the ME's or its agents or employees or by any other factor within its control.

f) Permit any third party to perform the maintenance services on the Equipment or to effect modifications, enhancement or engineering changes to the Equipment without the prior written consent of the Bank.

#### 3. Merchant Establishment's Representations and Warranties

- a) ME has capacity to enter into and perform this Agreement.
- b)ME holds the licenses, permits and consents as may be required for the conduct of Business.
- c) Neither making not performance of this Agreement will violate any law or conflict with or resulting the breach or constitute a default or require any consent under any decree, order, judgment, indenture or agreement.
- d)ME conducts its Business in the Premises.

#### 4. MERCHANT ESTABLISHMENT'S COVENANTS:

- i. ME shall, when requested by a Card Holder, facilitate in accordance with the terms and conditions of this Agreement including the procedure stated as may be amended by the Bank from time to time
- ii. ME shall enter into transactions only in relation to goods or services provided by it to the Card Holder
- iii. ME shall not enter a third party transaction nor dispense cash by processing a Transaction
- iv. ME shall own, and not dispute form reason whatsoever, Transactions effected via Equipments
- v. ME agrees to keep the Bank informed of the claims it receives in relation to transactions or any other matter in connection with this Agreement providing details as may be required by the Bank and not to dispute, compromise or otherwise deal with the same without the consent in writing of the Bank and acknowledges that the Bank shall however be however under no obligation to provide any assistance in connection with any such claim.
- 5. The ME hereby irrevocably agrees with the Bank, that all payment processing effected on the EDCs installed in the Premises of the ME, shall be deemed to have been effected by the ME, its authorized employees and/or agents and the ME shall not dispute, disclaim or deny the payment processing for any reason whatsoever.

#### **B.** Card Acceptance

- 1. The ME hereby agrees, undertakes and covenants to do the following:
  - a) Honor every Valid, unexpired Card when properly presented as payment from Card Holders for all/any transactions. The ME shall not engage in any practices or procedures that discriminate against, or discourage the use of such Valid Cards whether in favour of cash or any other competing card brand. In particular and without prejudice to the generality of the aforesaid, the ME shall not attempt to levy any service charges on the Card Holder for permitting the Customer to use the Valid Card. The ME shall also not place any minimum transaction limit for the use of a Valid Card.
  - b) Obtain Authorization for all the Card transactions through the EDC terminal provided by the Bank only. The ME shall not complete a transaction on the basis of the card if the Bank has declined the Authorisation.
    - Inform the Bank immediately, in the event of breakdown of the EDC terminal, and in any event not later than one hour from the time of breakdown of the EDC terminal.
    - The ME shall not receive any payment from the Cardholder by any other alternate means with respect to charges for goods or service included on a valid charge.

#### C. Transaction handling

- 1. The ME hereby agrees, undertakes and covenants to do the following:
- a) Ensure that all transactions must be made in Indian Rupees unless otherwise agreed in writing between the Bank and the ME.
- b) honour all Valid Card Transactions supported by the Bank.
  - c) collect the day's transaction paper roll/sales invoice for accounting purposes. The ME shall keep a copy of the transaction paper roll/sales invoice for at least one year and shall present to Bank upon request.
- d) provide in such form and manner as shall be required by the Bank all such information in respect of the transactions as the Bank may require from time to time.
  - e) By presentation of any transaction information, the ME warrants to and agrees with the Bank:
    - i. That all the statements of facts contained therein which are within the knowledge of the ME are true and complete in all respects;
    - ii. That the ME has supplied or caused to be supplied, the goods and/or services to which the transaction information relates and to the value stated therein and at a price not greater or not less

favourable than the same price and terms at and on which such goods and/or services are supplied by the ME for cash;

- iii. That the transaction information pertaining to each sale has been supplied only once;
- iv. That the sales of such goods and/or services are not unlawful; and that the transaction information relates to a transaction and the ME has complied with the Agreement.
- f) The ME shall provide such reasonable assistance for the prevention and detection of fraud in respect of any transaction as the Bank may from time to time request.

#### **D. Refund Procedure:**

In the event that any goods are not received by a Card Holder or are rejected pursuant to non-compliance by the ME or pursuant to any terms of contract between the ME and the Card Holder or are otherwise lawfully rejected or are accepted for return and/or services paid for by the Card Holder are not performed or cancelled or the price is lawfully disputed by the Card Holder or price adjustment is allowed by the ME, the ME hereby agrees, undertakes and covenants to do the following:

- i) Not to make any cash refunds to the Cardholder:
- ii) Make all refunds to the Cardholder through the Bank as per the process communicated by the Bank;
- Forthwith make payment of the amounts to be refunded to the Bank for onward credit to the Card Holder's;
- In the alternative, the Bank may in its discretion adjust all such amounts from the Settlement Amount payable to the ME;
- The Bank may also in the alternative provide for such other procedure for refund as the Bank may
  deem fit from time to time.

#### E. Customer Handling:

- 1. The ME hereby agrees, undertakes and covenants to do the following: a) Deliver to the Card Holder a true and completed copy of the Terminal Sales Record/Receipt/Imprinted Chargeslip. b) If a card has been left behind by the Card Holder in the Premises of the ME, the same should be returned to the Card Holder subject to the Card Holder producing positive identification and provided that such return is requested for on the same day of the loss. If the Card Holder does not claim the card on the same day, then the card should be cut into two pieces and forwarded to the Bank. In any event, the Bank should be informed immediately of the said Card being left behind in the Premises.
- 2. The ME hereby agrees, undertakes and covenants not to require any Cardholder to pay a surcharge to share any part of the ME Commission, whether through any increase in price or otherwise, or to pay any contemporaneous finance charge in connection with the transaction in which a Valid Card is used.

#### F. Publicity

- i) The ME expressly and irrevocably agrees and authorises the Bank to include the ME's name in any directory or Promotional Material produced in connection with the acceptance of cards.
- ii) The ME hereby agrees, undertakes and covenants to prominently display and maintain the Banks Promotional Material as supplied by the Bank from time to time.

#### **G.** Transaction

The transaction shall be a transaction between the ME and the Customer and the Bank shall not be deemed to be a party in respect

of any such transaction. Any and all disputes, subject to the other provisions of this Agreement, between the Card Holder and the ME in respect of any goods and services provided by the ME shall not require the Bank to be a party to any such dispute.

#### 5. TERMS OF PAYMENT

All transaction need to be settled not later than 3 calendar days from the date of transaction or an additional charge of 50 basis points over and above the agreed merchant discount rate shall be levied and recoverable by us from you.

- i) Subject to the terms of this Agreement, the Bank shall pay the ME a Settlement Amount for each transaction processed by the ME pursuant to this Agreement.
- ii) The Settlement Amount payable by the Bank to the ME, as stated above shall be paid to the ME, either by means of an Account Payee cheque or shall be credited to the account of the ME with the Bank ("the ME Account") as per the option availed of by the ME and specified in item no. 7 of the Schedule hereunder written. The Bank shall be entitled to provide that shall be made without the delivery of the Terminal Sales Record/Receipt/Imprinted Chargeslip and the delivery of which shall be required to be made to such branch of the Bank as the Bank may provide from time to time.
  - All Settlement Amounts shall become payable only after receipt of the transactions by the bank. For the purpose of this clause, a transaction would be received the Bank only after the following occurs.
  - In the case of EDC transactions, if the ME chooses the Settlement Function in the EDC Terminals and following such procedure as may be stipulated by the Bank from time to time,
  - In the case of manually processed transactions, after the ME made physical presentment of the charges/fees at the designated branch of the Bank.
- iii) Provided that the Bank shall endeavour to make payments within seven Working Days after receipt of the transaction by the Bank.
- iv) Payment by the Bank shall be without prejudice to any claims or rights which the Bank may have against the ME and shall not constitute any admission by the Bank as to the performance by the ME of its obligations under this Agreement and the amount payable to the ME.
- v) The Bank shall be entitled to setoff and deduct from any Settlement Amount due to the ME with:
  - a) The amount of any refund due to any Card Holder in accordance with the refund procedure set out in Clause 4(D) above; and
  - b) Any overpayment made by the Bank due to mathematics errors or otherwise; and
  - c) Any other sums due from or payable by the ME to the Bank, including without limitation any chargebacks herein;
  - d) Any and all commissions and charges payable to Jammu And Kashmir Grameen Bank.
- vi) If the Bank suspects, on reasonable ground, the ME has committed a breach of this Agreement or has acted dishonestly or fraud has been committed against the Bank or any Card Holder or third party, or has in connivance with any other person done the same or assisted in the same the Bank shall be entitled to suspend all payment under this Agreement to the ME, pending enquires by the Bank.
- vii) Notwithstanding anything contained herein, where the Bank has reason to believe that any charges/ debits have been fraudulently incurred (hereinafter referred to as a "suspect charge") in respect of any Cards, the Bank shall be entitled to withhold payment in respect thereof for a period not exceeding 6 months from the due date of payment; Provided that if on or before the expiry of 6(six) months, the Bank determines after due enquiry and investigation that the charge is a Valid Charge and not a suspect charge, the Bank shall release such withheld payment with interest thereon calculated at 18% (eighteen per cent) per annum from the aforesaid due date till actual payment thereof; Provided further that if within the said period of 6(six) months the Bank determines after due enquiry and investigation that any suspect charge is not a valid charge at all, the Bank shall be entitled not to pay the same at all.

#### 6. CHARGE BACK

The Bank shall be entitled at any time to refuse making total or partial payment to the ME or, if payment has been made, to debit the ME's Account with such amount or to seek immediate reimbursement from the ME, notwithstanding any Authorization given by the Bank to the ME, in any of the following situations:

- i. The transaction is for any reason unlawful or unenforceable.
- ii. Any information presented electronically to the Bank in respect of the transaction is not received in accordance with the Banks requirements from time to time.
- iii. Any transaction made through a card outside the territory authorized for the use of the card.
- iv. The price charged for goods or services to the Cardholder was in excess of the advertised price.
- v. The goods and/or services covered by the transaction are rejected or returned or the transaction or part thereof, is validly cancelled or terminated by a Cardholder or if the ME fails to provide at all or to the Cardholder's satisfaction, goods and/or services to-the Cardholder.
- vi. The Cardholder disputes the nature, quality or quantity of the goods and/or services covered by the transaction.

- vii. The Cardholder disputes or denies the transaction or the sale or delivery of goods and/or provision of services covered by the transaction with reasons.
- viii. Transaction is posted more than once to Card Holder's account.
- ix. The transaction is doubtful or erroneously paid for to the ME;
- x. Any other event or circumstances, which the Bank shall from time to time notify to the ME in writing, shall have occurred at the date of the transaction.
- xi. Not in conformity with the provisions of this Agreement;
- xii. Using a Card listed on Warning Bulletin;
- xiii. Where the date of Transaction is after the validity date shown on the Card;
- xiv. Where the Card is altered or mutilated or the Card face or signature panel strip is not normal;
- xv. Where the transaction is fraudulent, collusive, illegal or otherwise irregular in any manner whatsoever;
- xvi. Incurred outside the territory authorised for use of Card;
- xvii. The signature of the Card Holder on the chargeslip is not the same as that on the Card;
- xviii. Incurred by forgery of the Card Holder's signature on the chargeslip;
  - xix. Where the Chargeslip is incomplete or illegible as to the name of the Card Holder or other details or does not bear the proper signature of the Card Holder or is otherwise irregular;
  - xx. Received by the Bank after 5 days of its date appearing on the Chargeslip;
- xxi. Which was previously billed by ME directly to the Card Holder;
- xxii. In excess of the floor limit not separately Authorised;
- xxiii. Any charge for merchandise or service sold or provided to the Card Holder at a price which is in excess of the advertised price or in excess of the price charged to the general public for the goods or services;
- xxiv. For undelivered merchandise or service;
- xxv. Which the Card Holder refuses to pay because the merchandise or services were not as promised or were defective:
- xxvi. Where the Card Holder asserts a claim for set-off or counter claim against ME or disputes his liability for any reason whatsoever;
- xxvii. Where the transaction is split by ME in more than one Transactions.
- xxviii. In respect of which a Card Holder's complaint or request for any adjustment has not been resolved; and
- xxix. Which is transacted, recorded or submitted otherwise than in accordance with this Agreement.
- 6.1 If the Bank is entitled to chargeback any Transaction or if the Bank is entitled to payment or reimbursement from ME of any amount under this agreement, the Bank may at its discretion, give effect to such chargeback entitlement in any one or more of the following methods.
  - (a) deduction of the relevant amount or any part thereof from any account whatsoever of ME with any branch of the Bank without prejudice or Limitation to the Bank's right to set-off, transfer and applications of funds in law;
  - (b) deduction of the relevant amount or any part thereof from any payments to ME:
  - (c) Billing ME for the relevant bill/amount or any part thereof and ME agreeing to pay the amount of the bill forthwith upon receipt of the same without any demur or protest.
- 6.2 Where ME is a partnership or a proprietary concern and a partner (s)/the proprietor is in his individual capacity a Card Holder, such partner/ prop. Shall not use his card for the purchase of goods from the member establishment and thereby seek to utilise the payment received from the bank against such purchases. Such transactions shall not constitute valid charges and the bank shall not be liable for payment of such transactions.

#### 7. OBLIGATIONS OF THE BANK IN RESPECT OF THE EQUIPMENT

The Bank will install at the ME's Premises, the Equipment as per the terms and conditions of this Agreement.

- The Bank shall be responsible for insuring the Equipment and paying the insurance premium when due.
- The Bank shall be responsible, at its cost, for any servicing, repairs or replacements required for maintenance arising due to normal use of the EDC Terminal.

#### 8. BANK'S COVENANTS & RIGHTS

8.1 Based on the representations, warranties, indefinites and covenants made herein by ME Bank hereby permits ME to enter into transactions through a valid card using the equipment in terms of the procedures stated herein above and pay to ME, the amount of such Transactions subject to other terms & conditions of this Agreement.

- 8.2 The Bank reserves right to amend terms & conditions of this Agreement (or any procedures thereunder) from time to time at its sole discretion.
- 8.3 The Bank shall, towards authorized transactions complete in all respects, pay to ME by crediting the account of the ME with the
- Bank, the amount of transactions net of No. i. ME commission, computed at the rate as stated in the Schedule, of the Transaction amount and No. ii. Any other amounts due by ME to the Bank.
- 8.4 No amount on a transaction shall be payable by the Bank unless the Bank is received a receipt of that transaction i.e.,
  - **a.** In case of transactions via electronic data capture terminals, the ME has used "Settlement Function" on the electronic data capture machine and follows such further procedure as may be stipulated by the Bank from time to time:
  - **b.** In case of manually processed transactions, the ME has made a physical presentment of the Bank's copy of the Chargeslip to the Bank at the designated branch of the Bank.
- 8.5 The Bank shall endeavour to make payments of amounts when due to ME on transactions within seven business days after receipt of the Transactions by the Bank, unless this Agreement is under termination notice period in which case the Bank shall endeavour to make such payments only when it is successfully collected by the Bank from the Card Issuer (s) and within one hundred eighty business days after receipt of the Transactions by the Bank.
- 8.6 The Bank shall be entitled, in case when any refund claimed by the Bank exceeds the amount due to ME, to debit the amount by which the refund exceeds the amount payable to ME to the account of the ME and to recover it from ME.
- 8.7 Payment by the Bank shall be without prejudice to any claims of rights which the Bank may have against the ME and shall not constitute any admission by the Bank as to the performance by the ME of its obligations under this Agreement and the amount payable to the ME.
- 8.8 The Bank shall be entitled to set-off and deduct from the amounts payable to ME with:
  - (a) the amount of refund due to any Card Holder in accordance with the refund Procedure set out under this Agreement
  - (b) overpayment made by the Bank due to errors or otherwise; and
  - (c) any other sum due from or payable by the ME to the Bank including without limitation any chargebacks herein.
- 8.9 If the Bank suspects that the ME has committed a breach of this Agreement or has acted dishonesty or fraud has been committed against the Bank or any Card Holder or third party, or has in connivance with any other person done the same or assisted in the same, the Bank shall be entitled to suspend all payment under this agreement to the ME, pending enquiries by the Bank.
- 8.10 Notwithstanding anything contained herein, where the Bank has reason to believe that any Transaction is fraudulently incurred, the Bank shall be entitled to withhold payment in respect thereof.
- 8.11The Bank shall be, in relation to a Transaction, entitled at any time to refuse payment hereunder to ME or if payment has been made to debit ME's account or to seek immediate reimbursement from the ME towards the amounts paid, notwithstanding any Authorisation given by the Bank to the ME if:
  - (a) any transaction entered into by ME is observed fraudulent, unlawful or unenforceable;
  - (b) information provided by ME to the Bank in respect of the Transaction is not received in accordance with the Banks requirements;
  - (c) a Chargeslip is generated outside the Premises;
  - (d) the price charged for goods or services to the Card Holder is in excess of the advertised price;
  - (e) the goods and / or services covered under a transaction are rejected or returned or the transaction or part thereof, is validly cancelled or terminated by Card Holders if the ME fails to provide to the Card Holder's satisfaction, goods or services to the Card Holder;
  - (f) the Card Holder disputes the nature, quality or quantity of the goods and / or services covered by the Transaction;
  - (g) the Card Holder disputes or denies the Transaction or the sale or delivery of goods or provision of services covered by the Transaction with reasons therefore;
  - (h) the Transaction appears more than once to Cardholder's account;
  - (i) the Transaction is doubtful or erroneously paid to the ME; and
  - (j) any other event or circumstance which the Bank shall from time to time notify to the ME in writing shall have occurred.

#### 9. REPRESENTATION AND WARRANTIES OF THE ME:

The ME hereby has represented and warranted to the Bank as follows:

- i. The ME carries on the business as specified in Item no.3, at the Premises as stated in Item no.4 mentioned in the Schedule hereunder written.
- ii. The ME has been duly authorised to enter into this Agreement. The absence of informality on the part of the ME or any irregularity in the exercise of such a power shall not effect its obligations and/or the liability towards the Bank as well as the Card Holders of the card service and all amounts payable to the Bank shall be deemed to be due and owing not-withstanding such absence, informality or irregularity.
- iii. That all the information given by the ME to the Bank for the purpose of this agreement and facilitating the card transaction is true, correct and complete and is not misleading in letter or in spirit whether by reason of omission to state a material fact or otherwise.
- iv. That the neither the making or performance of this agreement nor compliance with its terms will be in violation of any law or conflict with or result in the breach of or constitute a default or require any consent under any decree, order, judgment, indenture, agreement or other instrument to which the ME is/are a party or by which the ME is/are bound and no such decree, order, judgment, indenture, agreement or other instrument exists against the Premises of the ME.
- v. That the ME does not have and does not anticipate any claims or liabilities against the ME including winding up of the ME, (where the ME is a Company) and its Premises, including, without Limitation, provident fund, labour dues, income/corporate or taxes/duties, levies, ceases, royalties, license fee, lease rentals, interest cost, penal levies, default rates, damages, claims, penalties, etc. (whether present, future or contingent) which are not expressly disclosed in writing.

#### 10. INDEMNITY

The ME will indemnify the Bank and keep indemnified the Bank safe and harmless on demand in respect of any actions, claims, costs, damages, demands, expenses, losses and liabilities made against, suffered or incurred by the Bank arising directly or indirectly from or in connection with:

- i. any failure by the ME to comply with the provisions of this Agreement and/or
- ii. any transaction between the ME and the Card Holder and including, but without prejudice to foregoing & any or any alleged misrepresentation or breach of contract or other breach of duty by the ME (or any of the ME's officers, employees or agents) to any Cardholder and/or any third party liability suffered or incurred including all allegations of fraud, misrepresentation, money laundering etc. caused and/or suffered in processing the transaction
- iii. any claims, losses demands, actions, costs, expenses and liability whatsoever that maybe suffered, incurred or sustained by the Bank as a result of a arising from the misuse of the EDC terminal and/or Equipment.
- iv. Any claims, losses demands, actions, costs, expenses and liabilities incurred or suffered by the Bank by reason of the representations and warranties given by the ME being false or untrue in material respect.

The ME shall keep the Bank informed of all developments regarding such actions, claims, costs, damages, demands, expenses, losses and liabilities and shall not dispute, compromise or otherwise deal with the same subject to the consent given by the Bank. The Bank shall however be under no obligation and/or liability to the ME to provide any assistance in connection with any such claim that the ME may require.

#### 11. Offline and Refund transactions

In case of off-line and refund transactions the Merchant is solely responsible for all acts of commission & omission. If a dispute related to these transactions arises, the ME shall be responsible for the amount in dispute, any legal actions, and penalty or fees that may be suffered by the acquirer.

For all off-line transactions ME shall take the precautionary measures like any written proof from the card holder, useful information which is known to the cardholder only (like Mother's name, Pet-name, ID No.etc.) to authenticate the genuineness of the authority given by the card holder to carryout off-line transactions.

#### 12. CONFIDENTIALITY

- i. The ME will not, without the prior written consent of the Bank and/or the Card Holder, use or disclose information of the Cardholder and/or his/her/theirfits transactions howsoever obtained and in whatsoever from the information and shall take, to any third party (other than the ME's agents for the sole purpose of assisting the ME to complete or enforce the transactions and the ME insurers and professional advisers) unless such disclosure is compelled by law. The ME shall be responsible for the confidentiality of all such information to the ME's agent.
- ii. The ME will not, without the prior written consent of the Bank, use or disclose information howsoever obtained and in whatsoever form of the business of the Bank, its Equipment or Systems or any of the

provisions of this Agreement to any third party (other than the ME's agents for the sole purpose of assisting the ME to complete or enforce the transactions and the ME, insurers and professional advisers) unless such disclosure is compelled by law. The ME shall be responsible for the confidentiality of all such information to the ME's agents, insurers and professional advisers.

iii. The Bank will be entitled at any time to disclose any and all information concerning the ME within the Knowledge and possession of the Bank to any party, including inter ala information relating the cause for termination of this Agreement. This clause will survive the termination of this Agreement.

#### 13. TERM AND TERMINATION

- i. This Agreement can be terminated by either party forthwith and without the grant of any prior notice, upon the happening of any of the following events:
- a) If a winding up petition is admitted against either party;
- b) If either party fails to perform any material obligations or undertaking under this agreement or any representation or warranty given by the ME or found to be false, incorrect, misleading or untrue;
- c) If the ME does not agree with any variation or amendment suggested by the Bank to this Agreement or fails to respond within 5(five) days by registered post, from the respect post, from the receipt of notification regarding the variation or amendment by the bank as provided hereafter.

The breaching party should be held liable to face the loss, if any, suffered due to such termination

- ii. This Agreement may be terminated by either party giving to other party at least thirty days prior notice in writing & without prejudice to due completion and payment in respect of all transactions processed and accepted by the Bank on or before the termination date. Provided further the Bank may in its discretion suspend the giving of any payment processing services under this Agreement during the termination period.
  - iii. In the event of termination of this Agreement, the ME shall disclose all completed transactions to the Banks representative at the time of such termination. However, payment for such transactions received will only be made to the ME after the payment is successfully collected by the Bank from the Card Issuer(s) within 180 days from the date of transaction. Such payment made shall continue to be subject to charge backs under this Agreement pursuant to Article 6 above. Where any refund claimed by the Bank exceeds the amount due to the ME, the difference thereof shall be debited to the account of the ME and the said amount shall be paid by the ME to the Bank forthwith.
  - iv. Upon termination, the ME shall forthwith, and at the ME's expenses, return to the Bank, the Equipment and an related documentation.
  - v. Any termination shall not affect any liabilities incurred prior to the termination nor any provision expressed to survive or to be effective on termination and (but without prejudice to the foregoing) Clauses and this Clause shall remain in full force and effect notwithstanding termination.

#### 14. PERIOD OF AGREEMENT:

This Agreement shall continue to remain in force until and unless otherwise terminated pursuant to the provisions of this Agreement.

#### 15. WAIVER:

No delay in exercising or on—dssion to exercise any right, power or remedy accruing/available to the Bank upon any default or otherwise hereunder or any other documents and/or writings shall impair or prejudice any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence therein.

#### 16. SEVERABILITY:

If any provision of this Agreement is illegal, invalid or unenforceable for any reason, it will be served from the remaining provisions, which will remain unaffected.

#### 17. JURISDICTION:

All disputes and differences relating to charges or claims arising out of card transactions or as to the interpretation or enforcement of this Agreement, shall be subject to the exclusive jurisdiction of the courts in Jammu which courts alone shall have jurisdiction in the matter to the exclusion of any other courts, irrespective whether such other courts have similar jurisdiction in the matter.

#### 18. FORCE MAJEURE:

If at any time during the term of this agreement the performance in whole or in part of either party's obligation under this agreement is prevented or delayed by any reason beyond the control of the parties hereto, including but not limited to fire, storm, flood, earthquake, explosion, accident, military operation, war, rebellion, riot, wreck,

epidemic,-embargo, any virus in the system, any other electronic delay, or any laws, regulations or other Governmental actions, neither party shall be entitled to terminate this Agreement nor shall either party have any claims for damages against the other in respect of such nonperformance or delay in performance, and shall be entitled to resume as soon as practicable after any such event has come to any end or ceased to exist, provided that if the performance in whole or part of any obligations under this agreement is prevented or delayed by reason of any such event for a period exceeding ninety (90) days, the parties shall jointly discuss the feasibility of a rescheduling of performance. If either of the parties cannot with reasonable diligence be excepted to continue performance, such party may at its option elect to terminate this agreement or such part thereof as can be served there from without affecting the performance of the remaining portion.

#### 19. ARBITATION

In the event of disputes, differences, claims and questions between the parties hereto arising out of this Agreement or in any way relating hereto or any term, condition or provision herein mentioned or the construction or interpretation thereof or otherwise in relation hereto, the Parties shall first endeavour to settle such differences, disputes, claims or questions by friendly consultation and failing such settlement, the same shall be referred to the arbitration of two arbitrators, one to be appointed by each Party and such arbitrators shall appoint an umpire before commencing the arbitration proceedings. The arbitration shall be held in accordance with the Arbitration and Conciliation Act, 1997 or any statutory modification or re-enhancement thereof for the time being in force and shall be held in Jammu (J & K) and conducted in English language.

The Court in Jammu (J & K) alone shall have jurisdiction over such arbitration proceedings.

The award of the Arbitration shall be final, conclusive and binding upon the Parties hereto as an award of Arbitration and Conciliation Act, 1997 or any statutory modification or re-enhancement thereof for the time being in force. Such award shall be filed in any competent Court in Jammu (L&K)

Each Party will bear the expenses/costs incurred by it in appointing and Arbitrator. However, the cost of appointing the Umpire shall be borne equally by both the Parties.

#### 20. GENERAL

- i. The ME shall be entitled to transfer and/or assign any of its rights and/or obligations under this Agreement to any parent, subsidiary or associate company, only with the prior written consent of the other party and such consent shall not be unreasonably withheld. The Bank shall be entitled to transfer and/or assign any of its rights and/or obligations under this Agreement to any other person.
- ii. Any request, approval, demand, waiver or other notice hereunder shall be in writing and shall be deemed to be given on the date
  - on which it is delivered in hand, received via registered mail, return receipt requested, or sent by telegraph, cable, telex, facsimile (fax), e-mail and/or any other mode of communication as agreed to by the parties from time to time and addressed to the respective addresses of parties set forth above (unless such addresses are changed by written notice to the other party). The Bank does not assume any responsibility for any inaccuracy, interruption, error or delay or total failure in transmission or delivery by post, telegraph, cable, telex, facsimile (fax), e-mail, and/or any other mode of communication.
- iii. This Agreement including the Schedule hereunder written contains the entire Agreement between the parties hereto representing the subject matter hereof.
- iv. The heading of the articles and other sub-divisions of the Agreement have been inserted for convenience of reference only shall not be deemed to constitute a part hereof nor shall the same effect the interpretation of any part of the Agreement.
- v. The Bank reserves the right at all times to vary or amend these terms and conditions or to introduce new terms and conditions. Any such variation or amendment or introduction will become effective and binding on the ME upon notification to the ME by ordinary post and if the ME is unwilling to accept any such variation amendment or introduction the ME shall notify the Bank in writing by registered post within 5 (five) days from the receipt of the notification by the Bank. A notice sent by the Bank by
- vi. Post shall be deemed to have been received by the ME on the following date of posting. In the event the ME does\not agree to the Variation or amendment suggested by the Bank or does not respond by registered post within 5 (five) days from the receipt of the notification by the Bank in that behalf, either party shall have the right to terminate this Agreement as per the terms and provisions of the Agreement.

#### Jammu And Kashmir Grameen Bank

#### **Merchant Acquisition Policy**

- vii. All costs (including costs between the Advocate and client), charges, expenses, taxes, duties, (including stamp duty) in relation to this Agreement and any document executed pursuant thereto and in relation to the enforcement of this Agreement shall be borne and paid by the ME alone.
- viii. This agreement is on a principal –to-principal basis between the parties hereto. Nothing contained in this agreement shall be constructed or deemed to create any association ,partnership, or joint venture or employer employee relationship or principal –agent relationship in any manner whatsoever between the parties.
- ix. In this Agreement, if the context permits or requires the word importing masculine gender shall include the feminine and neutral genders, and words in the singular number shall include the plural and vice versa.
  - This Agreement shall be executed in two counter-parts and each counter-part shall be deemed to be an original.
  - Further, in the event of default of this Agreement by the ME, the Bank shall be entitled to share any credit related information of the ME with any other person.

#### **SCHEDULE**

1) Date & Place of the Agreement: The	(day) of	(month/Year) at	(place
2) Name of Merchant Establishment			
3) Address of Merchant Establishment			
4) Business of the ME			
5) Address/es of the premises of the ME			
6) Business Hours of the ME:			
7) Charges			
• Monthly Charges8) Mode of payment of Settlement Amount by the			_
• Cheque			
• Credit to the ME's Account			

IN WITNESS WHEREOF the parties hereto have set their hands unto on the date first Hereinabove mentioned. Hereinabove mentioned.

#### SIGNED SEALED AND DELIVERED

By the within named

nmu And Kashmir Grameen Bank	Merchant Acquisition Pol
MERCHANTESTABLISHMENT	
Through the hands of its	
Authorised signatory Mr.	
In the presence of	
SIGNED SEALED AND DELIVERED	
By the within named	
Jammu And Kashmir Grameen BANK LTD.	
Through the hands of its	······································
Authorised signatory Mr.	
In the presence of	
ital & Alternate Channels Cell	25   P a g e

#### **PoS Machine Installation**

#### **ANNEXURE-B**

Merchant Relationship Form

#### **Important Instructions**

**PoS Machine Installation** 

Merchant Relationship Form

Please fill all the information in block letters.

Please keep the following documents along with the application for

✓ Copy of Registration Certificate under Shops and establishments Act.

 $\Omega$ R

- ✓ Copy of GST registration certificates.
- ✓ Copy of Partnership Deed, Memorandum of Association, Articles of Association, Power of Attorney (in case of partnership firms or companies).
- ✓ Copy of Rent receipt or telephone bill or electricity bill.
- ✓ Proof of signature of the authorised signatory.
- ✓ Passport / Voter ID Card/Driving License / PAN Card of the sole proprietor or anyone of the partners / directors.

#### For filling in information regarding the nature of business please refer to the following list:

- Arts/Handicrafts/Sculptures
- Automobile Service Center/Garages
- Automobile Spares
- Automobiles
- Automotive Tyre Stores
- Bakeries
- Barber & Beauty Shop
- Book store
- Candy/Nut/Confectionary Stores/Dry Fruits
- College/University
- Computers/Computer Peripherals
- Cosmetics/Beauty/Health Clubs,
- Crystal/Glassware /Kitchenware
- Dental/Medical Lab
- Departmental Stores
- Drug Stores/Pharmacy
- Electric Utilities
- Electronics
- Fuel Dealers/Coal/Petrol
- Furniture stores

- Furriers & Fur Shops
- Handicrafts
- Hardware Store
- Home Appliances/Consumer Durables
- Hotels
- Jeweler/Marbles/Watches
- Leather Goods
- Novelty/Gift Shop
- Opticians
- Photo Developing/Labs
- Readymade Garments
- Restaurant
- Sanitary Utilities
- Shoe Stores
- Stationery
- Tailors
- Telecommunication Equipments
- Textile
- Tours & Travel Operators
- Others (Specify)

### **PoS Machine Installation**

#### Merchant Relationship Form

- 1. Legal Name of Business Concern (as appearing in registration certificate, partnership deed or certificate of incorporation)
- 2. Marketing Name (as used in the name of the shop etc.)

\_\_\_\_\_

mm	u And Kashmir Grameen Bank	Merchant Acquisition Polic
3.	Type of Business (Please refer list)	
4.	Nature of Ownership (Tick as applicable)	
5.	( ) Sole Proprietorship ( ) Partnership Firm ( ) Govt. Owned ( ) Trust ( ) Fran Address of Business Establishment	( ) Limited Company ( ) HUF schisee ( ) Other (specify)
	Building Name	
	Road Name/No.	
	Land Mark	
	City	Pin Code
	State	Phone (with STD code)
	Mobile	e-Mail
6.	PAN Number GSTN	
7.	Shop Ownership Details (Tick as applicable)	( ) Owned ( ) Leased
8.	Name of Proprietor/Partners/Managing Director/Di	

Residential Address

Building Name
Road Name
Land Mark
City \_\_\_\_\_ Pin Code
State \_\_\_\_\_ Phone (with STD Code)
Mobile \_\_\_\_\_ e-Mail

10.	Name of Principal Contact		
	First M	iddle	Last
11.	Existing Jammu & Kashmir Grameen Bank Relati	onship	
	Existing Account Number		
	Type of Account	Relationship Since years	months
12.	Relationship with other banks (if any)		
	Name of the Bank		
	Address of the Bank		
	Type of Account	Relationship Since years	months
	Account No		
13.	Existing POS Machine Details (if applicable)		
	Date of Commencement of Business	Operation in the same premises since	ce
	Credit Cards already accepted (Tick as applicable)	) ( ) Visa ( ) MasterCard ( ) R	upayCard
	( ) If others please specify	-	
	Annual Business Turnover(in figures)	(in words)	
	Merchant Application, De	ebit Authorization and Declaration	on
e windition that all interest some some some some some some some some	nt Application sh to enroll under Jammu and Kashmir Grameen B ns of the Merchant Establishment Agreement appea nformation provided to Jammu and Kashmir Gram igning this application and ME agreement has full ent. Jammu and Kashmir Grameen Bank and/or the nformation with regard to the information provided	nded to this Merchant Relationship Appeen Bank in this form is correct and account authority to do so and thereby binds us are representatives may contact our bank.	plication Form. I/We confirm curate. I/We certify that the to the Merchant Establishment
gital	& Alternate Channels Cell		28   P a g e

Jammu And Kashmir Grameen Bank

**Merchant Acquisition Policy** 

Jamr	nmu And Kashmir Grameen Bank Merchant Acqu	uisition Policy
I/We a	it Authorization e authorise you to credit/debit our Current/Cash Credit/Merchant Account with Jammu and Kashmir Grame action, fees and charges as per the Merchant Agreement with Jammu & Kashmir Grameen Bank.	een Bank for all
Our ex	existing Account Number is	
settlen bank a termin	do hereby authorise the bank to debit without any prior notice our current/cash credit account and raise over the prior of POS (Point of Sale) installation charges / charge back accounts / excess payments made, if any, at and / or any other amount(s) becoming incidental thereto during the course of card acquiring business three inal (s) of Jammu and Kashmir Grameen Bank. By virtue of this authority I/We on behalf of said establish ority to challenge the bank's absolute discretion to this regard in any court/forum etc.	t any time, by the ough the POS
Decla	aration	
Machi	e agree to abide by the below mentioned terms and conditions in addition to already signed agreement for it hine. For all transactions above `7500 I/We will follow the following additional validation. The cashier we omer to produce a photo identification document.	
•	<ul> <li>photo ID document.</li> <li>The cashier would note down the ID details in the reverse of the Merchant copy of the charge slip or of in our internal systems.</li> <li>These details will be stored, for the period charge-slips are required to be stored.</li> </ul>	on the invoice or
	Signature & Name Designation	ı
	Signature of Authorised Signatory as appearing herein above is hereby attested	
	Signature of Branch Head Name & Code	
		Office use only e filled in by Branch)
1.	Legal Name of Business Concern (as appearing in registration certificate, partnership deed or certificate of incorporation)	
2.	Marketing Name (as used in the name of the shop etc.)	
3.	Type of Business (Please refer list)	
4	Name of Principal Contact	

Residential Address Building Name Residential Address Building Name Read Nature of Account Number Recommendation Documents obtained (Tick as Applicable) Copy of Registration Certificate under Shops and establishments Act. OR Copy of Cart receptivelephone billivelectricity bill. It is hereby certified that The agreement has been executed with notary attestation on Non-judicial stamp paper of Rs.100 or as applicable as per local law Authorised signatory proof is enclosed. The Merchant is maintaining account with other bank for more than last six months and account is running satisfactory, statement for more than last six months has been obtained and kept on record along with account opening form. The application has been duly filled in. The discount of the account of Will glided in. The discount of the account of Will glided in. All the documents as per KYC Norms have been obtained and kept on record with account opening form. Signature of Branch Head Name & Code  Signature of Branch Head Name & Code			74.10	•	
Residential Address Building Name Road Name Land Mark City	First		Middle	Last	
Building Name Road Name Land Mark City Phone (with STD Code State Phone (with STD Code)  Existing Jammu &Kashmir Grameen Bank Relationship  Recommendation  Documents obtained (Tick as Applicable)  Copy of Registration Certificate under Shops and establishments Act. OR  Copy of GST registration certificates.  Copy of Partnership Deed, Memorandum of Association, Articles of Association, Power of Attorney  Copy of Rent receipt/telephone bill/electricity bill.  It is hereby certified that  The agreement has been executed with notary attestation on Non-judicial stamp paper of Rs.100 or as applicable as per local law Authorised signatory proof is enclosed.  The Merchant is maintaining account with us for more than last six months and account is running satisfactory or the merchant is/was maintaining account with other bank for more than last six months and account is running satisfactory, statement for more than last six months has been obtained and kept on record along with account opening form.  The application has been duly filled in.  All the documents as per KYC Norms have been obtained and kept on record with account opening form.  I undertake to raise overdraft in the account of M/E upon the instructions of IT Department, if balance is not sufficient in the Account ME for fulfilling the charge back/s or any other charges etc.	Name of Proprie	etor/Managing Director/Karta	Anyone of the Partners (II	N BLOCK LETTERS)	
Road Name Land Mark City	Residential Address	·			
Land Mark City					
City					
State			Pin Code		
Existing Jammu & Kashmir Grameen Bank Relationship   Nature of Account					
Existing Jammu &Kashmir Grameen Bank Relationship  Nature of Account Existing Account Number					
Documents obtained (Tick as Applicable)   Copy of Registration Certificate under Shops and establishments Act. OR   Copy of GST registration certificates.   Copy of Partnership Deed, Memorandum of Association, Articles of Association, Power of Attorney   Copy of Rent receipt/telephone bill/electricity bill.					
Documents obtained (Tick as Applicable)  Copy of Registration Certificate under Shops and establishments Act. OR  Copy of GST registration certificates.  Copy of Partnership Deed, Memorandum of Association, Articles of Association, Power of Attorney  Copy of Rent receipt/telephone bill/electricity bill.  It is hereby certified that  The agreement has been executed with notary attestation on Non-judicial stamp paper of Rs.100 or as applicable as per local law Authorised signatory proof is enclosed.  The Merchant is maintaining account with us for more than last six months and account is running satisfactory or the merchant is/was maintaining account with other bank for more than last six months and account is running satisfactory, statement for more than last six months has been obtained and kept on record along with account opening form.  The application has been duly filled in.  All the documents as per KYC Norms have been obtained and kept on record with account opening form.  I undertake to raise overdraft in the account of M/E upon the instructions of IT Department, if balance is not sufficient in the Account ME for fulfilling the charge back/s or any other charges etc.	Nature of Account		Existing Account Nun	ber	
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	<ul> <li>The application</li> <li>All the docume</li> <li>I undertake to raise</li> <li>ME for fulfilling the</li> </ul>	n has been duly filled in. ents as per KYC Norms have be overdraft in the account of M/e charge back/s or any other cl	been obtained and kept on E upon the instructions of harges etc.	record with account opening form.  IT Department, if balance is not sufficient in the A	Accour

Jammu And Kashmir Grameen Bank

Digital & Alternate Channels Cell

**Merchant Acquisition Policy** 

30 | P a g e

#### **Undertaking for ICA (Annexure C)**

#### UNDERTAKING FOR ENABLING INTERNATIONAL CARD ACCEPTANCE

(TO BE OBTAINED ON THE NON JUDICIAL STAMP PAPER OF RS.100/-)

To,

Incharge
Digital and Alternate Channels,
Jammu and Kashmir Grameen Bank, Narwal, Jammu.

I/We wish to enable International Card acceptance on Jammu & Kashmir Grameen Bank POS terminal/s installed at our merchant establishment and hereby agree to the following additional terms and conditions for acceptance of International Card.

- 1. That in case international card acceptance is activated on the POS terminal I shall be wholly & solely responsible in this regard and shall not withdraw the amount thereof from my account till the Bank/s is/are satisfied with respect to international card transactions.
- 2. That I hereby authorize the Bank to keep proceeds of all the international transaction/s under lien and I shall indemnify the Bank from whatsoever means in case there is any loss suffered by the Bank as a result of such transactions.
- 3. That I shall undertake & abide by all the rules & regulations of Bank/s, card Schemes MasterCard/VISA etc in case any fraudulent transaction is proved to have been carried by me through the said terminal and any action deemed proper under the circumstances shall be binding upon me for which I shall not challenge the same before any court /forum.
- 4. That I hereby authorize the Bank to keep proceeds of all the international transaction/s under lien till Bank obtains status of transaction from issuer Bank's and I shall indemnify the Bank from whatsoever means in case there is any loss suffered by the Bank as a result of such transactions.

#### **Annexure D**

#### **CHARGES SCHEDULE FORM):**

#### **MDR Charges: -**

actions*	all POS transaction	MDR Charges for	Card Type	Sr.No.
erchants	Other Merchan	Small Merchants		
50 %	1.50 %	1.50 %	Credit Cards	1
00 %	0.90 %	0.40%	Visa / Master Debit Cards	2
L	NIL	NIL	RuPay Debit Cards	3
L	NIL	NIL	RuPay Debit Cards	3

<sup>\*</sup>Small Merchants: with turnover upto ₹ 20 lakh during the previous financial year

#### **Rental Charges: -**

POS monthly rental charges have been revised for new devices being installed w.e.f 15th July'2022.

The revised limits are appended below.

POS Terminal Variant	Rent for devices installed prior to 15th July'2022	Rent for devices installed on or after15 <sup>th</sup> July'2022
GPRS-SIM Based		
Linura 3G +Wi-Fi Terminals	Rs.350+ GST	Rs.449+ GST
PSTN Terminals (Landline)		

<sup>\*</sup>Other Merchants: with turnover above ₹ 20 lakh during the previous financial year

<sup>\*</sup>Exclusive of GST

#### **ANNEXURE-E**

# <u>USER MANUAL FOR POS REGISTRATION AND DEREGISTRATION POS REGISTRATION PROCESS</u>

- A) Before submitting POS request in Finacle, below mentioned points need to be followed
- 1. **Merchant Relationship Form**, completed in all respects, must be obtained from the merchant.
- 2. Merchant Agreement (agreement between Bank and Merchant) duly notarized and executed on e-stamp paper of value of Rs.100 must be obtained.
- 3. **KYC documents** must be obtained from the merchant (if not present) like Registration Certificate, GST Registration Certificate, Copy of partnership deed, memorandum of association, Power of Attorney etc.(in case of partnership firms or companies).
- 4. Branches must ensure that correct Merchant Unit address must be entered while submitting POS request since the POS machine will be delivered to that address only.
- **B)** Steps to be Followed in Finacle

POS→ Add → Enter Account No → Select District → Select Block Name → Select village Name

Fill the form completely and submit.

POS request needs to be verified by the Checker User by following the same steps

#### POS → Verify

• Branches must ensure that Correct Block Name and Village Name must be selected while submitting POS request in order to avail Three-Month Rental free POS machines to NABARD sanctioned centers.

#### POS DEREGISTRATION PROCESS

For deregistering a POS machine, Branches must be obtained a written request from the customer. After the request is obtained, De-Register request must be entered in Finacle on the same day by following the below mentioned steps:

POS → De-Register POS → Enter Account Number → Select the POS Machine and enter reason for Deregister and Submit.

- It is to be noted that until the Deregistration request is entered in Finacle, POS rental continues to be deducted from the account of the customer.
- Branches should ensure that POS machine remains with the Merchant so that it will be collected by the vendor directly from the merchant.
- In case the POS machine is not collected by the Vendor within ten days, branches are advised to contact DAC cell.

#### **ANNEXURE-F**

# Agreement for QR Machine Installation

THIS AGREEMENT is made on the date and place mentioned in item No.1 of the Schedule hereunder written,

#### **BETWEEN**

The person named in Item No 2 of the Schedule, having its address/office(s) at the address mentioned in Item No 2 of the Schedule hereunder written (hereinafter referred to as "the Merchant Establishment/ME", which expression shall unless it be repugnant to the context or meaning here of shall be deemed to mean and include (i) in the case of the ME being a sole proprietary concern / individual- the heirs, administrators, executors, legal representatives and permitted assigns of the Proprietor; (ii) in the case of the ME, being a partnership firm-the partners for the time being and from time to time of the firm, the survivor or survivors of them, their respective heirs, administrators, executors, legal representatives and permitted assigns and (iii) in the case of the ME; being a company – its successors and assigns (as the case maybe) of the ONE PART;

#### AND

JAMMU AND KASHMIR GRAMEEN BANK, a Regional Rural Bank incorporated under the Regional Rural Banks Act,1976 and licensed/ authorized to carry its banking business under the Banking Regulations Act, 1949 and having its registered office at HEAD OFFICE. NARWAL, JAMMU-180006, (hereinafter referred to as "the Bank" which expression shall unless it be repugnant to the context or meaning thereof shall be deemed to mean and include its successors and assigns) of the OTHER PART. The ME and the Bank are hereinafter collectively referred to as 'parties' and individually as a 'party'.

#### **WHEREAS**

- iv. The Bank is engaged in Banking business and as a part of its banking operations is engaged in the business of processing payments for establishments
- v. The ME undertakes the business & is desirous of being approved as an establishment for the purposes of payment processing of transactions made by QR code transactions
- 2. INSTALLATION OF EQUPIMENT AND PROCESSING OF PAYMENTS:
- 2.3 CONSENT FOR INSTALLATION OF EQUIPMENT
  - iii. Where the ME is the Owner of the Premises:

The ME hereby expressly agrees and consents to the installation of the Equipment at the Premises to enable the

processing of payments for transactions made through QR OR

iv. Where the ME is a lessee, licensee, or not the full owner-of the Premises:

The ME has obtained all necessary permission to permit the Bank to install the Equipment at the Premises to enable the processing of payments for transactions made through QR

- 2.4 Payment Processing:
- 2.4.1 The Bank hereby approves the ME as an establishment for the purpose of processing payments through QR.
- 3. CONSIDERATION FOR PAYMENT PROCESSING SERVICES:

- g) In consideration of the Bank agreeing to render the payment processing services, the ME shall pay the Bank rentals & installation cost at the rate specified by the Bank from time to time. In the event of the Bank modifying the said rentals & installation cost the Bank shall forthwith intimate the same to the ME.
- h) The ME hereby expressly and irrevocably agrees that the ME has not entered into this Agreement in reliance on any representation, statement or warranty (whether written or oral and whether express or implied) made by or on behalf of the Bank, other than as has been expressly set out herein.

#### 4. OBLIGATIONS AND COVENANTS OF THE ME:

- B. Equipment and its operation:
- 1. The ME hereby agrees, undertakes and covenants to do the following:
  - k) Use the Equipment installed by the Bank in the ME's Premises only in the manner and for the purpose as provided in this Agreement. The ME shall ensure that the Equipment is maintained in good condition.
  - 1) Pay the Bank Rs.1250/- for repairing/replacing the Equipment which may get damaged as a result of the improper handling by the ME
  - m) Provide all reasonable assistance for the prevention and detection of fraud in respect of usage of the Device
  - n) Operate the QR DEVICE only in accordance with and comply with such instructions as the Bank may give the ME from time to time.
  - o) Bear responsibility for any electricity, consumed by the Equipment.
  - p) Report promptly to the Bank any faulty or suspected fault in the operation of the Equipment within one hour from knowledge thereof;
  - q) Keep strictly confidential all information received from the Bank in connection with the Equipment and will disclose the same only to those of its staff who require information for the purpose of the operation of the Equipment and/or for effecting the transactions.
- 2. The ME hereby agrees, undertakes and covenants not to do the following:
- a) Sell, assign, transfer, lease or otherwise cause or allow or attempt to cause or allow, any dealings with/of the Equipment or permit any encumbrance on the Equipment to be created.
- b) The ME hereby irrevocably agrees and acknowledges that the Bank is the owner of the Equipment supplied to the ME and the same shall remain the property of the Bank and shall be surrendered to the Bank on demand or upon termination of this Agreement. If so required by the Bank, the ME shall specifically place such stickers on the Equipment to indicate the same.
  - i) Remove, conceal or alter any markings, tags or places attached to the QR Device(s) or part of the QR Device
  - j) Alter, modify or otherwise tamper with the programme in the QR Device.
  - k) Cause or allow the Banks right to access, repossession or disposition of the Equipment pursuant to this Agreement or otherwise to be encumbered in anyway or jeopardized by any act of the ME's or its agents or employees or by any other factor within its control.
  - 1) Permit any third party to perform the maintenance services on the Equipment or to effect modifications, enhancement or engineering changes to the Equipment without the prior written consent of the Bank.
  - 3. Merchant Establishment's Representations and Warranties
    - e) ME has capacity to enter into and perform this Agreement.
    - f) ME holds the licenses, permits and consents as may be required for the conduct of Business.
    - g) Neither making not performance of this Agreement will violate any law or conflict with or resulting the breach or constitute a default or require any consent under any decree, order, judgment, indenture or agreement.

#### 4. Merchant Establishment's Covenants:

- vi. ME shall, when requested by customer, facilitate in accordance with the terms and conditions of this Agreement including the procedure stated as may be amended by the Bank from time to time
- vii. ME shall own, and not dispute form reason whatsoever, Transactions effected via Equipments
- viii. ME agrees to keep the Bank informed of the claims it receives in relation to transactions or any other matter in connection with this Agreement providing details as may be required by the Bank and not to dispute, compromise or otherwise deal with the same without the consent in writing of the Bank and acknowledges that the Bank shall however be however under no obligation to provide any assistance in connection with any such claim.
  - ix. The ME hereby irrevocably agrees with the Bank, that all payment processing effected on the QR Devices, shall be deemed to have been effected by the ME, its authorized employees and/or agents and the ME shall not dispute, disclaim or deny the payment processing for any reason whatsoever.
- B. Transaction handling
- a) The ME hereby agrees, undertakes and covenants to provide all information in respect of the transactions as the Bank may require from time to time.

- b) By presentation of any transaction information, the ME warrants to and agrees with the Bank:
  - v. That all the statements of facts contained therein which are within the knowledge of the ME are true and complete in all respects;
  - vi. That the sales of such goods and/or services are not unlawful; and that the transaction information relates to a transaction and the ME has complied with the Agreement.
- c) The ME shall provide such reasonable assistance for the prevention and detection of fraud in respect of any transaction as the Bank may from time to time request

#### C. Publicity

- i) The ME expressly and irrevocably agrees and authorizes the Bank to include the ME's name in any directory or Promotional Material produced in connection with the QR code device.
- ii) The ME hereby agrees, undertakes and covenants to prominently display and maintain the Banks Promotional Material as supplied by the Bank from time to time.

#### D. Transaction

The transaction shall be a transaction between the ME and the Customer and the Bank shall not be deemed to be a party in respect of any such transaction. Any and all disputes, subject to the other provisions of this Agreement, between the Customer and the ME in respect of any goods and services provided by the ME shall not require the Bank to be a party to any such dispute.

#### 5. TERMS OF PAYMENT

- i) Bank shall endeavour to make payments within seven Working Days after receipt of the transaction and shall be credited to the account of the ME with the Bank ("the ME Account") through NEFT
- ii) Payment by the Bank shall be without prejudice to any claims or rights which the Bank may have against the ME and shall not constitute any admission by the Bank as to the performance by the ME of its obligations under this Agreement and the amount payable to the ME.
- iii) The Bank shall be entitled to setoff and deduct from any Settlement Amount due to the ME with:
  - e) Any overpayment made by the Bank due to mathematics errors or otherwise; and
  - f) Any other sums due from or payable by the ME to the Bank
  - g) Any and all commissions and charges payable to Jammu and Kashmir Grameen Bank.
- iv) If the Bank suspects, on reasonable ground, the ME has committed a breach of this Agreement or has acted dishonestly or fraud has been committed against the Bank or third party, or has in connivance with any other person done the same or assisted in the same the Bank shall be entitled to suspend all payment under this Agreement to the ME, pending enquires by the Bank.

#### 6. Bank's Covenants & Rights

- 6.1 Based on the representations, warranties, indefinites and covenants made herein by ME Bank hereby permits ME to enter into transactions using the equipment and pay to ME, the amount of such Transactions subject to other terms & conditions of this Agreement.
- 6.2 The Bank reserves right to amend terms & conditions of this Agreement (or any procedures thereunder) from time to time at its sole discretion.
- 6.3 The Bank shall be entitled, in case when any refund claimed by the Bank exceeds the amount due to ME, to debit the amount by which the refund exceeds the amount payable to ME to the account of the ME and to recover it from ME.
- 6.4 Payment by the Bank shall be without prejudice to any claims of rights which the Bank may have against the ME and shall not constitute any admission by the Bank as to the performance by the ME of its obligations under this Agreement and the amount payable to the ME.
- 6.5 The Bank shall be entitled to set-off and deduct from the amounts payable to ME with:
  - (d) the amount of refund due to any customer in accordance with the refund Procedure set out under this Agreement
  - (e) overpayment made by the Bank due to errors or otherwise; and
  - (f) any other sum due from or payable by the ME to the Bank including without limitation any chargebacks herein.
- 6.6 If the Bank suspects that the ME has committed a breach of this Agreement or has acted dishonesty or fraud has been committed against the Bank or third party, or has in connivance with any other person done the same or assisted in the same, the Bank shall be entitled to suspend all payment under this agreement to the ME, pending enquiries by the Bank.

- 6.7 Notwithstanding anything contained herein, where the Bank has reason to believe that any Transaction is fraudulently incurred, the Bank shall be entitled to withhold payment in respect thereof.
- 6.8 The Bank shall be, in relation to a Transaction, entitled at any time to refuse payment hereunder to ME or if payment has been made to debit ME's account or to seek immediate reimbursement from the ME towards the amounts paid, notwithstanding any Authorization given by the Bank to the ME if:
  - (k) any transaction entered into by ME is observed fraudulent, unlawful or unenforceable;
  - (1) information provided by ME to the Bank in respect of the Transaction is not received in accordance with the Banks requirements;
  - (m) the Transaction is doubtful or erroneously paid to the ME; and
  - (n) any other event or circumstance which the Bank shall from time to time notify to the ME in writing shall have occurred.

#### 7. REPRESENTATION AND WARRANTIES OF THE ME:

The ME hereby has represented and warranted to the Bank as follows:

- vi. The ME has been duly authorized to enter into this Agreement. The absence of informality on the part of the ME or any irregularity in the exercise of such a power shall not affect its obligations and/or the liability towards the Bank and all amounts payable to the Bank shall be deemed to be due and owing not-withstanding such absence, informality or irregularity.
- vii. That all the information given by the ME to the Bank for the purpose of this agreement is true, correct and complete and is not misleading in letter or in spirit whether by reason of omission to state a material fact or otherwise.
- viii. That the ME does not have and does not anticipate any claims or liabilities against the ME including winding up of the ME, (where the ME is a Company) and its Premises, including, without Limitation, provident fund, labour dues, income/corporate or taxes/duties, levies, ceases, royalties, license fee, lease rentals, interest cost, penal levies, default rates, damages, claims, penalties, etc. (whether present, future or contingent) which are not expressly disclosed in writing.

#### 8. INDEMNITY

The ME will indemnify the Bank and keep indemnified the Bank safe and harmless on demand in respect of any actions, claims, costs, damages, demands, expenses, losses and liabilities made against, suffered or incurred by the Bank arising directly or indirectly from or in connection with:

- v. any failure by the ME to comply with the provisions of this Agreement and/or
- vi. any transaction between the ME and its customer and including, but without prejudice to foregoing & any or any alleged misrepresentation or breach of contract or other breach of duty by the ME (or any of the ME's officers, employees or agents) to any any third party liability suffered or incurred including all allegations of fraud, misrepresentation, money laundering etc. caused and/or suffered in processing the transaction
- vii. any claims, losses demands, actions, costs, expenses and liability whatsoever that maybe suffered, incurred or sustained by the Bank as a result of a arising from the misuse of the device
- viii. Any claims, losses demands, actions, costs, expenses and liabilities incurred or suffered by the Bank by reason of the representations and warranties given by the ME being false or untrue in material respect.
- ix. The ME shall keep the Bank informed of all developments regarding such actions, claims, costs, damages, demands, expenses, losses and liabilities and shall not dispute, compromise or otherwise deal with the same subject to the consent given by the Bank. The Bank shall however be under no obligation and/or liability to the ME to provide any assistance in connection with any such claim that the ME may require.

#### 9. CONFIDENTIALITY

- iv. The ME will not, without the prior written consent of the Bank, use or disclose information howsoever obtained and in whatsoever form of the business of the Bank, its Equipment or Systems or any of the provisions of this Agreement to any third party (other than the ME's agents for the sole purpose of assisting the ME to complete or enforce the transactions and the ME, insurers and professional advisers) unless such disclosure is compelled by law. The ME shall be responsible for the confidentiality of all such information to the ME's agents, insurers and professional advisers.
- v. The Bank will be entitled at any time to disclose any and all information concerning the ME within the Knowledge and possession of the Bank to any party, including inter ala information relating the cause for termination of this Agreement. This clause will survive the termination of this Agreement.

#### 10. TERM AND TERMINATION

ii. This Agreement can be terminated by either party forthwith and without the grant of any prior notice, upon the happening of any of the following events:

- d) If a winding up petition is admitted against either party;
- e) If either party fails to perform any material obligations or undertaking under this agreement or any representation or warranty given by the ME or found to be false, incorrect, misleading or untrue;
- f) If the ME does not agree with any variation or amendment suggested by the Bank to this Agreement or fails to respond within 5(five) days by registered post, from the respect post, from the receipt of notification regarding the variation or amendment by the bank as provided hereafter.

The breaching party should be held liable to face the loss, if any, suffered due to such termination

- ii. This Agreement may be terminated by either party giving to other party at least thirty days prior notice in writing & without prejudice to due completion and payment in respect of all transactions processed and accepted by the Bank on or before the termination date. Provided further the Bank may in its discretion suspend the giving of any payment processing services under this Agreement during the termination period.
- vi. In the event of termination of this Agreement, the ME shall disclose all completed transactions to the Banks representative at the time of such termination. Where any refund claimed by the Bank exceeds the amount due to the ME, the difference thereof shall be debited to the account of the ME and the said amount shall be paid by the ME to the Bank forthwith.
- vii. Upon termination, the ME shall forthwith, and at the ME's expenses, return to the Bank, the Equipment and an related documentation.
- viii. Any termination shall not affect any liabilities incurred prior to the termination nor any provision expressed to survive or to be effective on termination and (but without prejudice to the foregoing) Clauses and this Clause shall remain in full force and effect notwithstanding termination.

#### 11. PERIOD OF AGREEMENT:

This Agreement shall continue to remain in force until and unless otherwise terminated pursuant to the provisions of this Agreement.

#### 12. SEVERABILITY:

If any provision of this Agreement is illegal, invalid or unenforceable for any reason, it will be served from the remaining provisions, which will remain unaffected.

#### 13. JURISDICTION:

All disputes and differences relating to charges or claims arising out of transactions or as to the interpretation or enforcement of this Agreement, shall be subject to the exclusive jurisdiction of the courts in Jammu which courts alone shall have jurisdiction in the matter to the exclusion of any other courts, irrespective whether such other courts have similar jurisdiction in the matter.

#### 14. FORCE MAJEURE:

If at any time during the term of this agreement the performance in whole or in part of either party's obligation under this agreement is prevented or delayed by any reason beyond the control of the parties hereto, including but not limited to fire, storm, flood, earthquake, explosion, accident, military operation, war, rebellion, riot, wreck, epidemic,-embargo, any virus in the system, any other electronic delay, or any laws, regulations or other Governmental actions, neither party shall be entitled to terminate this Agreement nor shall either party have any claims for damages against the other in respect of such nonperformance or delay in performance, and shall be entitled to resume as soon as practicable after any such event has come to any end or ceased to exist, provided that if the performance in whole or part of any obligations under this agreement is prevented or delayed by reason of any such event for a period exceeding ninety (90) days, the parties shall jointly discuss the feasibility of a rescheduling of performance. If either of the parties cannot with reasonable diligence be excepted to continue performance, such party may at its option elect to terminate this agreement or such part thereof as can be served there from without affecting the performance of the remaining portion.

#### 15. ARBITRATION

In the event of disputes, differences, claims and questions between the parties hereto arising out of this Agreement or in any way relating hereto or any term, condition or provision herein mentioned or the construction or interpretation thereof or otherwise in relation hereto, the Parties shall first endeavour to settle such differences, disputes, claims or questions by friendly consultation and failing such settlement, the same shall be referred to the arbitration of two arbitrators, one to be appointed by each Party and such arbitrators shall appoint an umpire before commencing the arbitration proceedings. The

arbitration shall be held in accordance with the Arbitration and Conciliation Act, 1997 or any statutory modification or reenhancement thereof for the time being in force and shall be held in Jammu (J & K) and conducted in English language.

The Court in Jammu (J & K) alone shall have jurisdiction over such arbitration proceedings. The award of the Arbitration shall be final, conclusive and binding upon the Parties hereto as an award of Arbitration and Conciliation Act, 1997 or any statutory modification or re-enhancement thereof for the time being in force. Such award shall be filed in any competent Court in Jammu(J & K). Each Party will bear the expenses/costs incurred by it in appointing and Arbitrator. However, the cost of appointing the Umpire shall be borne equally by both the Parties.

#### 20. GENERAL

- x. The ME shall be entitled to transfer and/or assign any of its rights and/or obligations under this Agreement to any parent, subsidiary or associate company, only with the prior written consent of the other party and such consent shall not be unreasonably withheld. The Bank shall be entitled to transfer and/or assign any of its rights and/or obligations under this Agreement to any other person.
- xi. Any request, approval, demand, waiver or other notice hereunder shall be in writing and shall be deemed to be given on the date on which it is delivered in hand, received via registered mail, return receipt requested, or sent by telegraph, cable, telex, facsimile (fax), e-mail and/or any other mode of communication as agreed to by the parties from time to time and addressed to the respective addresses of parties set forth above (unless such addresses are changed by written notice to the other party). The Bank does not assume any responsibility for any inaccuracy, interruption, error or delay or total failure in transmission or delivery by post, telegraph, cable, telex, facsimile (fax), e-mail, and/or any other mode of communication.
- xii. This Agreement including the Schedule hereunder written contains the entire Agreement between the parties hereto representing the subject matter hereof.
- xiii. The heading of the articles and other sub-divisions of the Agreement have been inserted for convenience of reference only shall not be deemed to constitute a part hereof nor shall the same effect the interpretation of any part of the Agreement.
- xiv. The Bank reserves the right at all times to vary or amend these terms and conditions or to introduce new terms and conditions. Any such variation or amendment or introduction will become effective and binding on the ME upon notification to the ME by ordinary post and if the ME is unwilling to accept any such variation amendment or introduction the ME shall notify the Bank in writing by registered post within 5 (five) days from the receipt of the notification by the Bank. A notice sent by the Bank by
- xv. Post shall be deemed to have been received by the ME on the following date of posting. In the event the ME does\not agree to the Variation or amendment suggested by the Bank or does not respond by registered post within 5 (five) days from the receipt of the notification by the Bank in that behalf, either party shall have the right to terminate this Agreement as per the terms and provisions of the Agreement.
- xvi. All costs (including costs between the Advocate and client), charges, expenses, taxes, duties, (including stamp duty) in relation to this Agreement and any document executed pursuant thereto and in relation to the enforcement of this Agreement shall be borne and paid by the ME alone.
- xvii. This agreement is on a principal –to-principal basis between the parties hereto. Nothing contained in this agreement shall be constructed or deemed to create any association ,partnership, or joint venture or employer employee relationship or principal –agent relationship in any manner whatsoever between the parties.
- xviii. In this Agreement, if the context permits or requires the word importing masculine gender shall include the feminine and neutral genders, and words in the singular number shall include the plural and vice versa.
- xix. This Agreement shall be executed in two counter-parts and each counter-part shall be deemed to be an original.
- xx. Further, in the event of default of this Agreement by the ME, the Bank shall be entitled to share any credit related information of the ME with any other person.

#### SCHEDULE

1) Date & Place of the Agreement: The	(day) of	(month/Year) at _	(place)
2) Name of Merchant Establishment			
3) Address of Merchant Establishment			

) Business of	the ME	
	of the premises of the ME	
	SS WHEREOF the parties hereto have set their hands unto on the date first Hereinabove mentioned.	
SIGNED S	EALED AND DELIVERED	
By the wit	n named	
MERCHA	T ESTABLISHMENT Through the hands of its Authorised signatory Mr.	
In the pres	ace of	
SIGNED S	CALED AND DELIVERED	
By the wit	n named	
Jammu and	Kashmir Grameen BANK.	
Through th	hands of its	
Authorised	signatory Mr	
In the pres	ice of	

#### Annexure-G

#### **USER MANUAL-QR (Quick Response) Codes service**

- 1. For Customers willing to utilize QR service, branches must obtain a QR code Registration/Deregistration form, attached as Annexure-I, duly signed by the customers.
- 2. Branches have to authenticate the customer being on boarded for the services as per the details available in Finacle.
- 3. Branches can login on QR portal from Intranet under 'Applications' using below mentioned credentials
- User Id: Finacle User Id
- Password: 100830@1008(first time login password)

Users are required to change their passwords on first time login.

There are three types of QR (Quick Response) code services available:

- ▶ QR code with sound box For customers opting for QR with Sound box, branches need to onboard Merchant for sound box. Customer will receive Sound box with QR pasted on it at the address entered during merchant on-boarding. Branches must ensure the address is entered correctly while executing merchant on boarding. Existing mswipe sound box customers can de-register on QR option in finacle and request for new QR sound box through QR portal.
- ➤ QR code with standee For customers opting opted for QR with Standee, branches need to onboard Merchant for standee. Customized standee with Bank's logo will also be provided to Branches through Regional Offices.
- ➤ QR code handout—For customers opting for a normal QR code without Standee and Soundbox, branches need to complete Merchant onboarding process. After onboarding merchants can Generate QR. Branch can then provide the printout of QR to the customer, or can 'Share QR on E-mail' in their email address entered during merchant onboarding. Customised sticker with Bank's logo will also be provided to Branches through Regional Offices.

Branches can also Generate QR and share with customers with standee and sound box option

Steps for Generation of Quick Response code:

A.) Merchant onboarding

Maker user will log in to QR portal

- 1. Click on Merchant -> Merchant onboarding -> Add
- 1. Branch can choose Primary Virtual Payment Address as per customer request (Preferably name of the customer/firm.)
- 2. Enter the mobile number and account number in their respective fields and click on Verify System will fetch some of the details against the entered mobile number and account number, and the rest of the mandatory details (\*) need to be entered by the branches.
- 3. If a customer is interested in a QR with Sound box, select 'YES' in the Sound box option. If customer is interested in QR with Standee, select 'YES' in the Standee option. Kindly Note for QR standee onetime cost of Rs.30 plus GST will be deducted and for QR sound box monthly recurring cost of Rs 65 plus GST will be deducted.
- 4. After filling in all the mandatory details and Primary Virtual Payment Address, click on Send for approval. Option will be enabled only after all the compulsory details are filled.

#### i) Checker user will log in to QR portal

- 1. Verify the merchant on-boarding of the particular customer by clicking on Merchant Onboarding and entering any of the customer details like mobile number, account number, merchant name, or virtual primary address, and then clicking on Search.
- 2. Click on Verify and check the details entered by the maker user, and click on 'APPROVE' to approve the merchant on boarding. Merchant will be on-boarded for QR services.

#### **B.)** Generate QR

- ➤ Log into the QR Portal -> Merchant -> Generate QR
- ➤ Enter any of the customer details like mobile number, account number, merchant name, or virtual primary address, and then click on Search.
- Click on Generate QR

#### Merchant management

With the help of the Merchant Management option, branches can Activate or Deactivate the customer from using the QR code.

- Log into the QR Portal -> Merchant -> Merchant management
- Enter details and click on 'Search', and then click on 'Deactivate'
- Check all the details and click on 'Confirm' to Activate or deactivate the customer.

#### C.) MIS and Reports

With the help of the MIS and Reports option, branches can view the transaction details for the QR code registered customer by entering the customer details like mobile number, account number, merchant name, or virtual primary address for the selected frequency or date.

- ➤ Log into the QR Portal -> MIS and Reports ->
- Merchants Transaction Report -> Enter detail -> Select frequency or date -> select from & to date or Transaction Frequency -> Click on Search.

Branch has to ensure correct QR is being handed to the merchant/customer. Branches are advised to execute transaction for authentication before handing over the QR. Any loss to the customer/bank due to wrong mapping of QR will be the responsibility of erring official.

In case of any query, you may reach out to DAC Cell at 9103995267 /8899006459 or mail at helpdesk@jkgb.in