

QR Code - Merchant Establishment Agreement

This agreement is made inon thisof202... betweenhaving address at (hereinafter referred to as “Merchant” which expression shall, unless it be repugnant to the meaning or context thereof, mean and include, heirs, executors, administrators, successors in title, and permitted assigns) of the FIRST PART; AND

INDIA TRANSACT SERVICES LIMITED, (a subsidiary company of AGS Transact Technologies Ltd.) a company incorporated under the Indian Companies Act, 1956 having its registered office address at 601 – 602, B Wing, Trade World, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400 013 (hereinafter called as “ITSL” “PSP”) which expression shall unless it be repugnant to the context or meaning thereof shall mean and include its successors and assigns) of the SECOND PART.

ITSL and Merchant may be referred to collectively as “Parties” and individually as “Party”, wherever the context so admits.

WHEREAS:

1. The Merchant is in the business of providing various merchandise/ services to its customers and is desirous of enabling its customers to use UPI/QR Code services facilitated/provided by VISA / MASTERCARD /NPCI and such other card associations and has represented that it is carrying on the business from the premises specified in this document (“**Premises**”). The Merchant is desirous to procure the Merchant Services (as defined herein below) at the Premises through India Transact Services Limited (ITSL). Relying upon the representations provided by the Merchant and acceptance by the Merchant of the terms and conditions set forth herein, ITSL has agreed to provide Merchant Services to the Merchant, either directly and/or through its business associates, on the terms and conditions hereinafter specified; and
2. ITSL, along with its business associates, has the necessary expertise, knowledge and infrastructure and are inter alia in the business of providing services in respect of processing payments for establishments in respect of payments sought to be made by way of UPI/QR Codes through the Mobile phones and ITSL has agreed to provide QR Code facility to the merchant to accept and process payment transactions.
3. Merchant who has expressed to associate with ITSL to accept the payment thru UPI/QR Codes and/or any other wallets associated with ITSL agreed to extend services to the UPI/QR Code customers will be governed on the terms and conditions as set in below

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties hereby agree as follows:

DEFINITION:

- **“Payer”** means any person holding a banking account and who desires to pay money to the Receiver for purchase of goods or services online using the UPI QR Code Services, being offered by the Master Merchant or the Merchant on its website or mobile application thereto.
- **“Payment Service Provider”** or **“PSP”** means entities which are allowed to issue virtual addresses to the Users and provide payment (credit/debit) services to individuals or entities and regulated by the Reserve Bank of India, in accordance with the Payments and Settlement Systems Act, 2007.
- **“Receiver”** means any person or the Merchant holding a banking account, who are desirous to receive payments from the Payer using UPI Services. In case the Payer is User of the Merchant and is paying money to the Merchant for purchase or utilization of goods and services from the Merchant, the Merchant shall be the Receiver.
- **“UPI Pin”** means authentication credentials, password, etc., as provided by User Account holding Bank (**“Issuer Bank”**), which shall be required by the User for completion of the transfer of funds through UPI;
“UPI Services” means Unified Payment Interface, a multi-platform operable payment network solution which is being provided by NPCI for the purpose of interbank fund transfer of funds i.e., pay someone (push) or collect from someone (pull) transaction, pursuant to the rules, regulations and guidelines issued by NPCI, Reserve Bank of India and the Bank, from time to time;

1. SCOPE AND APPLICABILITY

(a) **APPOINTMENT:** During the Term of this Agreement, the Merchant agrees to avail the UPI-QR Code Services (as defined herein below) through ITSL.

2. PAYMENTS

(a) Further, the Parties hereby agree that all the applicable taxes, cess and other statutory levies, as specified from time to time and, which are payable in respect of the transactions shall be borne by the Merchant. The Merchant hereby authorizes ITSL to deduct, in addition to the Merchant Discount Rate, these tax amounts, at the time making the aforesaid payment in the event of implementation of any such charges by the govt and/or any appropriate authority.

(b) If the ITSL suspects that the Merchant has committed a breach of this Agreement or has acted dishonestly or fraud has been committed against ITSL or any customer or third party or has in connivance with any other person done the same or assisted in the same, ITSL shall be entitled to suspend all payments under this Agreement to the Merchant as well as withholding suitable sum, as may be determined by the ITSL in its

discretion, till pending enquiries by ITSL. The merchant is solely responsible for the accuracy and authenticity of the payment instructions issued. Once a payment instruction is issued, the same cannot be subsequently revoked by the Payer. NPCI accepts no liability for any consequences arising from erroneous information provided by Payer in payment instructions.

(c) NPCI states that it has no liability or obligation to keep a record of the instructions to provide information to the User or for verifying the instructions. All instructions, requests, directives, orders, directions, carried out by the User via BHIM App, are based upon the User's decisions and are the sole responsibility of the User.

3. **Fee Debit:** All applicable fee and charges as agreed will be charged to the merchant. These fees will be charged in advance and will be debited from the settlement amount, In case of negative settlement bills be submitted to DCCB for payment. NEFT Transaction will happen once in a day.

4. **BANK ACCOUNT:** ITSL will credit the amount to the account maintained with District Central Cooperative Bank on T+2 basis.

5.

6. INDEMNITY

(a) The Merchant further agrees to indemnify ITSL and keep the Bank and ITSL safe and harmless on demand in respect of any chargeback, actions, claims, costs, damages, demands, expenses, losses, and injuries made against, suffered or incurred by ITSL arising directly or indirectly or in connection with

- Any transaction or any other matter relating to this Agreement;
- Failure by the Merchant (or by any Merchant establishment officers, employees or agents) to comply with the provision of this Agreement;
- The breach of contract or duty by the merchant (or by any merchant establishment officers, employees or agents) to any third party and
- Any of Merchant's representation and warranties being or becoming false or untrue.

(b) The indemnity provided herein shall survive the termination/cancellation hereof in so far as it pertains to events that transpired during the subsistence hereof.

7. COMPLIANCE

(a) The Merchant hereby confirms and acknowledges that they shall comply and has complied with all applicable laws of the land and further acknowledges that ITSL shall have no obligation to verify whether or not the Merchant has acted in accordance therewith.

8. Refunds – Merchant has to make all refunds to the customers through ITSL only, as per the process communicated or as may be communicated from time to time. ITSL

will be recovering the gross amount of the transaction from merchant settlements for refunding the amount back to payer. In case there are no transactions for adjustment, the Merchant will have to fund the Bank for processing any refund.

9. (a) **TRANSFER OF OWNERSHIP:** ITSL will be immediately advised of any sale, assignment, lease or transfer in any way of the Merchant of its business or establishment. The rights obtained under this Agreement are not assignable without written prior approval by ITSL.

- (a) In case of any dispute or differences, breach and violation relating to the terms of the Agreement, the Parties shall first endeavor to settle such differences/disputes by friendly consultation and failing such settlement within 15 (Fifteen) days of commencement of such consultation, the same shall be resolved through arbitration, by a sole arbitrator appointed mutually. The award of the arbitrator shall be final and binding on all the Parties. The arbitration proceedings shall be conducted as per the provisions of the Arbitration and Conciliation Act, 1996 and/or any statutory modification or re-enactment or there of any rules made thereof, in English language, at Chennai..
- (b) The Agreement shall be subject to the exclusive jurisdiction of the courts of Chennai.

10. **TERM AND TERMINATION:**

- (a) This Agreement shall continue to remain in force until and unless otherwise terminated pursuant to the provisions of the agreement.
- (b) UPI-QR Code Services will be terminated if the User's account linked to the App is closed or the Account holding Bank withdraws or terminates the UPI Services anytime for the User's account either entirely or with reference to a specific UPI Services.
- (c) Either Party shall be entitled to terminate this Agreement without cause at any time by service of a Thirty(30) day notice in writing to the other Party.
- (d) Notwithstanding the aforesaid, ITSL shall be entitled to terminate this Agreement in the event of ITSL being of the view that the risks involved in continuing with the Agreement outweigh the benefits or in the event of ITSL / Bank receiving any Customer complaints. The view of ITSL in this regard shall be final and binding on the Parties. This termination shall take place forthwith on notice of the same being provided to the Merchant.

11. **AUTHORITY:** By signing this Agreement, the Merchant represents that the signatory hereof has full authority to do so and execution of this Agreement by the signatory hereof creates a fully binding obligation on the Merchant.

12. **FORCE MAJEURE:** If a Party's performance of any of its obligations under this Agreement is hindered or delayed by a force majeure event even after such Party having taken reasonable care and such force majeure event was not caused as an action of such Party, then such Party will be excused for such non-performance for as long as such force majeure event continues. The Party affected by the force majeure event is to immediately notify the other Party of the occurrence and details of the force majeure event. If the force majeure event continues for a continuous period exceeding Ninety(90)

days, the Parties shall mutually agree on the future course of action. However, despite all efforts made by the Parties in good faith, if the force majeure event continues for a further Ninety (90) days, either party shall have the right to terminate this Agreement by giving the other Party a notice of termination in writing.

13. MISCELLANEOUS

(a) Assignment: Merchant shall not assign this Agreement or any part thereof without the prior written consent of ITSL.

(b) Merchant shall enter into such agreements; execute such papers and documents as necessary to give effect to the arrangement hereunder.

(c) Representation: All the parties acknowledge and agree that there are no other representation statement or warranty (whether written or verbal and whether express or implied) made by or on behalf of them other than such as are expressly set out herein

(d) Survival of Provisions: Notwithstanding any other provision to the contrary herein, terms that by their nature survive termination or expiration of this Agreement shall bind the parties following any expiration or termination of this Agreement.

(e) ITSL reserves the right to recover/set off dues owed by Merchant to ITSL against any payments by ITSL to Merchant. Further, the Merchant acknowledges the fact that, this Agreement is without prejudice to any rights, legal or otherwise, that ITSL may have against the Merchant.

(f)

IN WITNESS WHEREOF the Parties hereto has put their respective signatures to this Agreement through the hands of their authorized signatories

Parties	Merchant	India Transact Services Limited
Signatures		
Name		
Designation		
Address for Service of Notice		