



Commercial Taxes and  
Registration (J1)  
Department,  
Secretariat, Chennai – 9.

**Letter (Ms) No.128, dated 29.08.2019**

From  
Thiru. Ka. Balachandran, I.A.S.,  
Principal Secretary to Government.

To  
The Inspector General of Registration,  
Chennai-28. (w.e.)

Sir,

Sub: Project TeAM STAR 2.0 – Installation of PoS  
(Point of Sales) Machine in all Sub-Registrar  
Offices – Merchant Establishment Agreement  
with State Bank of India Approved –  
Regarding.

Ref: Your letter No.3089/CS1/2019, dated  
28.01.2019 and 09.04.2019.

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I am to refer to your letter wherein it has been stated that it has been proposed to make Merchant Establishment Agreement with State Bank of India for paying the incidental charges by the citizens through the PoS (Point of Sales) machines by using their Debit / Credit Cards.

2. I am to state that your above mentioned request has been accepted by the Government and the Inspector General of Registration is permitted to enter into Merchant Establishment Agreement with State Bank of India. The Merchant Establishment Agreement to be entered with the State Bank of India is enclosed herewith.

3. Action taken in this regard may be intimated to Government in due course.

Yours faithfully,

  
for Principal Secretary to Government

Copy to:  
SF/SC



## **MERCHANT ESTABLISHMENT AGREEMENT**

This Merchant Establishment Agreement is made and executed at [ ] on this [ ] day of [ ], [ ] by and between

State Bank of India, a body corporate incorporated under the State Bank of India Act, 1955 (Central Act 23 of 1955) having its Central Office at State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai-400021, India and acting through its branch located at **SBI E-Treasury Branch** (hereinafter referred to as "SBI" or the "Bank") which expression shall mean and include, unless repugnant to the context or meaning thereof, its successors and assigns of the second part.

The Registration Department of Government of Tamil Nadu, duly represented by and acting through the Inspector General of Registration, Registration Department, Government of Tamil Nadu and having its principal office at 100, Santhome High Road, Chennai - 600 028 (hereinafter referred to as "Merchant") which expression shall mean and include his successors-in-office and assigns of the first part,

(The Merchant and SBI are hereinafter referred to collectively as "Parties" and individually as party, wherever the context so admits.)

WHEREAS, the Merchant is in the business of providing merchandise/services to customers and is desirous of enabling its customers to use the services under the system of Card Organization(s); and

WHEREAS, the Merchant is desirous of being approved as an establishment for the purpose of payment processing of transactions made by any Valid Card / State Bank Buddy/State Bank BharatQR and the Bank has agreed to provide certain services to the Merchant at his registered office/branches under the system of Card Organization on the terms and conditions set forth herewith.

**(1) DEFINITIONS.-**

For the purposes of this Merchant Establishment Agreement, the terms defined herein below shall have the meaning herein specified unless the context otherwise requires,-

- (a) "**Affiliate**" means, as to any entity, any other entity that, directly or indirectly, Controls, is Controlled by or is under common Control with such entity.
- (b) "**Authorization**" means the process by which SBI approves a Transaction as stipulated by SBI from time to time and includes approvals flashed on the PoS terminals deployed/approved by SBI at the premises, site or location of the Merchant.
- (c) "**State Bank Bharat QR**" refers to QR code based acceptance solution provided by SBI to its merchants for acceptance of payment by merchants by scanning of QR code by his customers, by using Bharat QR customer app.. State Bank Bharat QR is interoperable amongst Banks and major Card schemes.
- (d) "**Buddy (State Bank Buddy)**" means the Mobile Wallet of the SBI through which several functions viz. recharge, pay bills, book movie tickets,

send money etc. can be performed. Additionally, SBI PoS is enabled to receive payments from customers through State Bank Buddy.

- (e) **"Business Activity"** means the trading activity in products/goods/services engaged by the Merchant at the time of Merchant Boarding.
- (f) **"Card Member"** or **"Member"** means a person holding a Valid Card and making payment using a Valid Card.
- (g) **"Card Organization/Card Scheme"** includes VISA, MasterCard, RuPay (National Payments Corporation of India), AMEX and any other card organization acceptable to SBI presently or in future, offering credit, debit or any other card programme to Issuers.
- (h) **"Cash @ PoS"/ "Cash Withdrawal at PoS"** means payment of cash by the Merchant to the card member as per Reserve Bank of India guidelines circulated from time to time.
- (i) **"Chargeback"** means a dispute raised by the Issuer, if it determines that the transaction was processed in violation of the rules listed out in Visa / MasterCard /Rupay / AMEX guidelines.
- (j) **"Charge Slip"** means the form generated in accordance with the Merchant Operating Instructions using the Point of Sale terminal provided /approved by SBI to the Merchant after swiping the Valid Card to enable the Merchant to record charges.
- (k) **"Control", "Controlled by" or "under common Control with"** means

with respect to any entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities (or other ownership interest) by contract or otherwise.

- (l) "**Dynamic Currency Conversion (DCC)**" means the facility provided by the Bank allowing the cardholder to pay for the transactions i.e. purchase of goods and/or avilment of services in the billing currency or the local currency.
- (m) "**Incident Response Protocol**" means the response procedure to be followed by the Merchant as advised by the Bank in case of suspected or known breaches on the Merchant's system or of a service provider.
- (n) "**Inactive Merchant**" means a Merchant at whose location no transaction has taken at the PoS terminal installed at the location continuously for three months.
- (o) "**Issuer**" means a licensee of a Card Organization issuing a Valid Card.
- (p) "**Merchant Boarding**" means acceptance of the Merchant enrollment by the Bank for installation of PoS terminal.
- (q) "**Merchant Account**" means the running account without debit/credit restrictions opened by the Merchant with SBI for the purpose of the payments and other transactions between SBI and the Merchant and which SBI may debit / credit in terms of this agreement.
- (r) "**Merchant Discount Rate (MDR)**" means the rate as set out in

Annexure C to this Agreement and charged by the Bank in consideration of providing the services herein. For calculating the Merchant Discount Rate, the amount would be the aggregate amount of the bill including taxes and other charges, if any.

- (s) "**On-Us**" means when a State Bank group Debit Card is swiped on SBI PoS Terminal.
- (t) "**Off-Us**" means when cards other than State Bank Group Debit Cards are swiped on SBI PoS terminal.
- (u) "**PCIDSS**" means Payment Card Industry Data Security Standard being an information security standard defined by the Payment Card Industry Security Standards Council.
- (v) "**Point of Sale Terminal (PoS)**" means any equipment or device provided by SBI to facilitate acceptance of payment by means of cards.
- (w) "**Retrieval Request**" means a request made by the Issuer to obtain details of the transactions.
- (x) "**Rules**" means the rules, regulations and/or requirement, releases, interpretations and other requirements that are promulgated, imposed or adopted by Card Organization(s)/Bank/Reserve Bank of India /National Payments Corporation of India etc. and as they may from time to time be amended.
- (y) "**Transaction or Charge**" means an act between a Card Member and the Merchant for the payment by a Card Member to the Merchant towards the

Card Member's purchase of merchandise/goods or services from the Merchant resulting into a valid host response (Authorization/ decline/ referral etc.) through either Card or State Bank Buddy or by scanning of State Bank BharatQR.

(z) "**Valid Card**" means a credit or debit or any other card issued by an Issuer or a Card Organization,- (a) which is permitted by SBI for Transaction(s); (b) bears Card Organization's logo, hologram and name of the Issuer and such other details as may be stipulated by SBI from time to time; (c) has not expired; (d) bears the signature of the person whose name is embossed on the card; (e) is not mutilated, altered or damaged; and (f) is not listed in any Alert by the card schemes.

(aa) "**Valid Charge**" is a charge which is charged to the holder of a Valid Card on a Charge Slip in respect of a payment to be made by the cardholder to the Merchant bearing an imprint of a Valid Card and bearing the same signature as that on the Valid Card, which charge slip is generated in accordance with the Merchant Operating Instructions using the PoS terminal provided/approved by SBI to the Merchant after swiping a Valid Card.

(ab) "**VISA/MasterCard/RuPay Dispute Resolution Rules**" are rules defined/amended from time to time and provided in the websites of Card Schemes i.e. VISA, MasterCard, RuPay, AMEX etc. for settlement of disputes raised by the Issuer.

**(2) MERCHANT'S OBLIGATIONS.-**

(a) The Merchant hereby agrees to undertake that all transaction must be made in Indian Rupee unless otherwise agreed in writing between the Bank and the Merchant.

(b) The Merchant hereby agrees to 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 improper/mishandling by the Merchant.

(c) The Merchant agrees to bear the cost of electricity consumed by the equipment and telephone /GPRS charges (if notified by the Bank) payable in connection with the equipment.

(d) The Merchant hereby undertakes to honour and accept every Valid Card /State Bank Buddy/State Bank BharatQR when properly presented for payment by a Card Member for a Transaction. The Merchant shall not engage in acceptance or practices that discriminate against or discourage the use of any Valid Card in favour of any other card that is accepted by the Merchant or any other payment mode accepted by the Merchant. The Merchant should not levy any charges on the card holder for permitting the customer to use a valid card/**Mobile Wallet/ State Bank BharatQR**. The merchant shall not place any minimum transaction limit for using a valid card/**Mobile Wallet/ State Bank BharatQR**.

(e) After ensuring that the card is a Valid Card/**Mobile Wallet/ State Bank BharatQR**, the Merchant, shall swipe the card on the PoS and enter the details of the transaction as displayed and ensure that Reserve Bank of India



guidelines for card present scenario which requires entering of PIN (as applicable) are followed - Merchant shall ensure entering of PIN by the card/State Bank Buddy/ State Bank BharatQR holder and to ensure that while entering of Personal Identification Number sufficient privacy is given to the card/ State Bank Buddy/ State Bank BharatQR holder.

(f) The Merchant shall obtain the signature of the card member on the Charge Slip/Mobile Device in case of Mobile PoS and verify the same with the signature of the Card Member on the back of the Valid Card. In case of a photo card, merchant shall also verify that the photograph on the card matches with the card holder. For International/foreign card transaction(s) the merchant should ensure that the identity proof of the cardholder, preferably a copy of the valid passport is verified and obtained.

(g) The Merchant shall retain the Charge Slip(s) and the bill(s)/invoice(s) pertaining to the Charge Slip for a period of 18 months from submission date or such further period as SBI may stipulate from time to time and make those promptly available to SBI on request. The card holder copy of the charge slip is to be provided to the card holder duly completed.

(h) As and when the Bank/Bank representative requests for a particular Charge Slip, the same shall be handed over to the Bank within three days of the request. If on account of non-compliance, the Bank incurs any loss, the same shall be made good by the Merchant inclusive of all charges, interest and costs.

(i) The Merchant shall make best efforts to recover and retain any card.-

- (i) in respect of which a request has been made by a Card Organization to recover the card; or
- (ii) which the Merchant has sufficient and reasonable grounds to believe to be counterfeit, fraudulent or stolen.

The Merchant shall promptly notify SBI of any such recovery and retention and will deliver the card so recovered to SBI / Card Organization within 24 (Twenty-Four) hours of such recovery and retention.

(j) The Merchant shall permit SBI or its representative for installation of the PoS device in the premises of the Merchant at the time of Merchant Boarding and for de-installation of the PoS in case of off board at the registered address herewith. In case of installation of Point of Sale at the branches or offices or at other locations of the Merchant, the details of the branches/offices needs to be provided by the Merchant in writing to the Bank prior to installation. SBI may at its discretion install the PoS at the branches/offices.

(k) The Merchant shall under no circumstances adopt unethical transaction practices such as doing transactions with his own card/State Bank Buddy/ State Bank BharatQR doing transactions without a valid purchase etc.

(l) The Merchant shall under no circumstances shift the equipment from its designated location without Bank's prior consent.

(m) The Merchant shall immediately notify the Bank about any changes in the contact details like address, Phone /Mobile Number, Email Id etc. for updation in Banks' records. Bank shall not be responsible for any loss to the Merchant due to non-informing the Bank for any change in communication details.

(n) The Merchant shall make best efforts to perform the settlement procedure on the PoS on a daily basis.

**(3) AUTHORISATION AND SUBMISSION OF CHARGES.-**

(a) Authorization in respect of charges shall be obtained by swiping/dipping the Valid Card using the PoS (online authorization) provided /approved by SBI. If the Merchant accepts charges without authorization/printing of charge slip, Bank will not be responsible for such charges or any part thereof.

(b) The Merchant under no circumstances shall split the swipe/transaction amount for a single purchase into 2 (Two) or more transactions/charge slips.

(c) SBI reserves the right to refuse the charges if an Authorization is declined/charge slip is not printed.

(d) By presentation of the Charge Slip(s), the Merchant represents and warrants that.-

(i) No other Charge Slip has been or will be issued or presented in respect of the same transaction; and

(ii) The relevant Charge Slip represents a genuine business transaction undertaken by a Card Member using a Valid Card/State Bank Buddy/ State Bank BharatQR in respect of which the Merchant has, or will, duly discharge all of the Merchant's obligations.

(e) (i) Unsettled (Open) Transactions.-

Merchant has to settle the transactions at the end of the day. Non settlement of transactions for more than 3 days from the date of transaction attracts a penalty of 0.50% over and above the agreed MDR payable in terms of

VISA/MasterCard/RuPay/AMEX guidelines.

(ii) The Merchant agrees to settle the transaction in any case before 7 days failing which the Merchant loses the claim on the unsettled amount. In case the Merchant is unable to settle the transaction due to software/hardware issues, the Merchant needs to lodge a complaint on the helpline number within one hour of any such complaints.

(iii) The period of unsettled transactions and interchange are subject to change as per Card Organization/Bank/RBI/RuPay etc. and will be notified to the Merchants from time to time.

#### **(4) PAYMENTS TO THE MERCHANT.-**

(a) Subject to the terms of this Agreement, the Bank shall under normal circumstances pay to the Merchant within agreed timelines as per Annexure C of receipt, payment for the relevant transactions in an amount equal to the total amount listed on the relevant signed Charge Slip(s) less the applicable MDR. Net payments to the Merchant shall be made by the Bank to the account of the Merchant with the Bank (the Merchant's Account). The Bank shall be entitled to set off the amounts due to the Bank from amounts in the accounts / deposits of the Merchant with the Bank.

(b) Where SBI has reason to believe that any charges have been negligently or fraudulently incurred or charged either on a Valid Card or a counterfeit card or where SBI has reason to investigate or cause to be investigated any charges, SBI shall be entitled to withhold payment under this Agreement to the Merchant pending enquiries by the Bank and resolution of the same to the satisfaction of the Bank, failing which the Bank shall be entitled not

to pay the same. The period of such enquiries on the part of the Bank shall not however exceed a period of 6 (Six) months from the due date of payment under sub-clause (a) above.

(c) Bank exercises the right to set off a lien on the credit value in the account of the Merchant or the unsettled transactions in the pipeline in the event of failure by the Merchant in providing necessary valid proof of transaction to the Retrieval Request/Chargeback/Suspicious Transaction received from the Issuer through the Card Schemes (VISA, MasterCard, RuPay, AMEX etc.)

**(5) ACCEPTANCE OF CHARGES WITH RECOURSE-CHARGEBACKS.-**

The Merchant agrees that any charges accepted by Merchant, which proves to be uncollectable and which was incurred in any of the following circumstances shall be the exclusive financial responsibility of the Merchant. The Merchant agrees to the non-payment of such charges or the Chargeback debit of such uncollectable charges (as the case may be) by SBI without any demur or protest.-

(a) Any charge which is not a Valid Charge and/or which is made by a card, which is not a Valid Card at the time of incurring of the charge by the Card Member;

(b) Any charge incurred outside the territory authorized for the use of a Valid Card.

- (c) Any charge incurred involving the forgery of the Card Member's signature on the Charge Slip and/ or where the Bank reasonably believes the transaction to be irregular and/ or fraudulent;
- (d) Any charge incurred which involves a Charge Slip which is incomplete or illegible as to the Card Member's name, the number of the Valid Card or the signature of the card holder;
- (e) Any settlement received by SBI more than 7 (Seven) days after a Card Member incurred the charges and were authorized by SBI;
- (f) Any charges (as set out in clause 3) without prior Authorization of SBI as provided in this agreement;
- (g) Any charges for merchandising or services in an amount in excess of the advertised price;
- (h) The card presented to the Merchant in respect of the transaction was listed in a warning list or any other communication or advice from time to time.
- (i) Any charges with respect to which a Card Member refuses to pay because the merchandising or services purchased from the Merchant were not delivered or are not as promised or the merchandise was defective or services deficient in any respect subject to Card Schemes Dispute Resolution Rules;
- (j) Charges which the Card Organization disputes or reports as a Retrieval Request/fraud/chargeback;
- (k) There is a violation of the terms and conditions in relation to a Transaction or any Merchant Operating Instructions; and

(l) Change of "Business Activity"/ "Business Name"/ "Business Location" without informing to the Bank and acceptance of change by the Bank.

**(6) INDEMNITY.-**

(a) The Merchant will indemnify (and not hold SBI responsible) and hereby keeps SBI indemnified and harmless from and against any claims, Chargebacks, demand, action, suits or proceeding, liabilities, losses, costs, expenses, taxes, legal fees, fines, penalties or damages asserted against or incurred or suffered by SBI on account of acts or omissions of the Merchant in connection with the sale of goods and/or services (by the Merchant), the performance of this Agreement, breach of a contract or duty by the Merchant , misuse of the PoS or any other device provided/approved by SBI, Merchant's failure to observe any of the procedures, requirements or obligations to be complied with in accordance with the Rules/ bye laws or regulations of any Card Schemes, negligence or fraud of any employee/servant/contractor etc. of the Merchant, any of the representations or warranties of the Merchant becoming false or untrue or on account of any dispute of the Merchant with any customer or other third party.

(b) The Merchant shall be responsible for the payment of any non-compliance fines or other penalties resulting from non-completion or non-compliance of the PCIDSS validation program or any other security standards as laid down from time to time and the Merchant shall keep the Bank fully indemnified from any claims, demand or damages incurred by the Bank due to such non completion / non-compliance.

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

**(7) POINT OF SALE TERMINALS.**—

(a) SBI, at its discretion, may provide the Merchant with one or more PoS terminal(s), consumables and network access controllers and other devices as it considers appropriate so as to facilitate a Valid Card / State Bank Buddy/ **State Bank BharatQR** transactions at the premises or establishment of the Merchant.

(b) The Merchant agrees that the PoS terminal shall be used exclusively at the Merchant's premises/location and for the purposes of facilitating Card / *State Bank Buddy / State Bank BharatQR* transactions in connection with purchase of goods or services for which the Merchant has been signed up and for no other purpose whatsoever in a legal environment.

(c) The Merchant hereby acknowledges, agrees and confirms that the PoS terminals, consumables and network access controllers and any other device or item deployed or provided by SBI are the exclusive properties of SBI and shall be surrendered to SBI on demand during the term of this Agreement and immediately upon any termination or expiry of this Agreement in working condition. Under no circumstances shall the Merchant claim any right, title or interest in or to the PoS terminals or any other device or consumables provided by SBI for any reason whatsoever.

(d) The Merchant shall be responsible for the safekeeping/maintenance of the



PoS terminal and all other devices or items deployed or provided by SBI and for the secrecy of any software and keys (embedded into the PoS terminal) and shall neither allow or facilitate any piracy, nor violate any copyright/ trademark relating to any software or other intellectual property rights.

(e) The Merchant shall ensure at all times during the business hours at least two members of Merchant's staff who have been trained to operate the PoS are available.

(f) The Merchant shall report to the Bank any faulty or suspected fault in the operation of equipment within one hour from the knowledge of the same thereof.

**(g) The Merchant shall not. –**

(i) sell, assign, transfer, lease or otherwise dispose of any PoS terminals or any other device or materials deployed or provided by SBI;

(ii) mortgage, charge, hypothecate, create or permit to exist any liens or other security interests over any PoS terminals or any other device or materials deployed or provided by SBI;

(iii) remove, conceal or alter any markings, tags or dates attached to the PoS Terminals or other devices or any part thereof indicating SBI's ownership of such PoS Terminals or devices;

(iv) cause or allow SBI's right to access, repossess or dispose of the PoS terminals or any other device deployed or provided by SBI pursuant to this Agreement or otherwise to be encumbered in any way or otherwise jeopardized

by any act or omission of the Merchant or its servants, representatives or agents or because of any other factor within the Merchant's control;

(v) permit any third party to perform the maintenance services on the PoS terminals or any other device deployed or provided by SBI or effect modifications, enhancement or software/engineering changes to the PoS terminals or any other device deployed or provided by SBI, without the prior written consent of SBI or its authorization to its representatives; and

vi) alter, modify or otherwise in the programme in the PoS.

**(h) Use of Third Party Terminals.-**

(i) In case the Merchant is willing to use the terminals supplied by third party for card acceptance under acquiring arrangement with SBI, the arrangement shall require prior approval from the Bank.

(ii) All cost and expenses relating to the terminals supplied by third party shall be borne by the Merchant until and unless agreed to by the Bank in writing.

(iii) Bank shall not be responsible for the operation, maintenance and the ability of such terminals to communicate to our system.

(iv) Merchant shall notify the Bank at least 15 days prior to the termination/change in the arrangement with approved third party.

(i) Any loss or damage arising out of negligence or misuse of the PoS terminal or any other device deployed or provided by SBI due to any reason shall be to the account of the Merchant and SBI reserves the right to recover

such losses from the Merchant and the Bank shall be entitled to set off such losses from the amounts due to the Merchant or from the amounts in the accounts/deposits of the Merchant with the Bank.

(j) SBI reserves the right to withdraw at any time and from time to time, the PoS terminals or any other device or consumables deployed or provided by SBI at any time from the location/premises of the Merchant, in its sole discretion, for any or no reason and without assigning any reason whatsoever, and its decision shall be final and binding upon the Merchant, without any demur, protest or objection from the Merchant.

(k) The Merchant shall permit the authorized representatives of SBI to carry out physical inspections or audits of the PoS terminals or any other device or consumables deployed or provided by SBI any anytime during business hours, with or without notice.

(l) Merchant shall bear the costs, charges and expenses for electric power or telephone lines or internet connection(s) required in connection with the PoS terminals or any other device deployed or provided by SBI.

(m) The Merchant shall pay monthly commitment charges as mentioned in Annexure C and in case he fails to generate minimum volume of sales as decided by the Bank from time to time. Such service charge shall be recovered from the Merchant from the settlement account/net credit proceeds in the subsequent month without any intimation. In case a Merchant notes any discrepancy the same shall be given in writing to the office within 7 days of such recovery failing which the Bank would assume that the charges were correct.

(n) The Merchant agrees to pay other charges as mentioned in Annexure C and the Bank has the right to recover charges from the merchant accordingly.

(o) Merchants wanting hard copy of the monthly transaction Management Information System, may request the same to their Branch in writing for a charge which may be determined from time to time. The transaction details would be provided to the Merchant within 15 Days of the subsequent Month except in the circumstances beyond the control of the Bank.

**(8) COMPLIANCE.–**

(a) The Merchant hereby confirms and acknowledges that the Merchant has complied and shall comply with all applicable laws of the land and further acknowledges that SBI shall have no obligation to verify whether or not the Merchant has acted in accordance therewith. The Merchant hereby also confirms and acknowledges that the Merchant is aware of and agrees to abide by the Rules.

(b) The Merchant hereby agrees and confirms that SBI will be entitled to stipulate or amend at any time and from time to time, operating rules relating to.– (i) the transactions contemplated by this Agreement; (ii) any services that may be rendered hereunder to the Merchant by SBI; (iii) any use, ownership or maintenance of the PoS terminals, devices and consumables provided by SBI to the Merchant; (iv) any other matter relating to use or Authorization of the cards; or (v) any dealing with Card Members. The Merchant hereby agrees to comply, follow and abide by such Merchant Operating Instructions as applicable from time to time as per Banks/Card Schemes/RBI requirements.

(c) In the interest of security of card transactions, the Merchant or any other service provider engaged by the Merchant who participates in the processing, transmission or storage of card payment details shall comply with the PCIDSS standards/other security guidelines. All costs in relation to the completion of such validation shall be borne by the Merchant. The Merchant shall on request provide details of any service providers who facilitate transactions on behalf of the Merchant to SBI and their status of compliance (as applicable from time to time).

(d) The Merchant irrevocably agrees with the Bank, that all payment processing effected on the PoS, installed in the premises of the Merchant, shall be deemed to have effected by the Merchant, its authorised employees and / or agents. The Merchant shall not dispute claim or deny the payment processing for any reason.

(e) The Merchant shall capture only the transactions done in its establishment in the equipment deployed. On no account, shall the merchant offer to capture the transactions done in other establishments.

(f) The Merchant shall not deploy any other payment applications in the equipment which has the capacity to capture card number or card details except as agreed to by the Bank. Under no circumstance shall the Merchant store the Card Verification Value Number, the Personal Identification Number/the Magnetic stripe data or any other personal information of the card holder in any form.

(g) The Merchant shall ensure that any software or hardware utilized in the services does not retain its original password and that all passwords are changed on a regular basis.

(h) The Merchant shall ensure that the payment application software version used for processing card payments is PADSS (Payment Application Data Security Standard Council) approved and other global security standards for card present scenarios.

(i) If the Merchant has suffered a data compromise, the Merchant shall provide all information and assistance as may be required by the Bank to conduct the forensic analysis.

**(9) CHEQUE CASHING, CASH ADVANCES AND/OR CASH REFUNDS.-**

(a) The Merchant will not allow or make any cash advances and/or cash refunds directly to the Card Members and further that SBI will not be responsible or held liable for such actions except for making transactions under Cash at PoS as defined in clause 21 of this Agreement.

(b) Cash @ PoS.- Disbursement of cash to the maximum limit prescribed by Reserve Bank of India under the Cash @ PoS scheme at identified Merchant Establishments. The merchant needs to accept the terms and conditions under Annexure B (2) for doing the same.

**(10) REPRESENTATIONS AND WARRANTIES.-**

The Merchant represents warrants and covenants to SBI as follows:

(a) The Merchant is a legal entity duly organized, validly existing and in good standing under the laws of India and authorized to enter into this Agreement and to perform its obligations.

(b) This Agreement constitutes valid, legally binding and enforceable obligations of the Merchant.

(c) The Merchant shall take such acts, execute and deliver such further instruments and documents, and generally do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.

(d) To the best of the Merchant's knowledge there is no suit, action, litigation investigation, claim complaint or proceedings in progress or pending or threatened against or relating to the Merchant, which, if determined adversely to the Merchant could prevent the Merchant from fulfilling all of its obligations set out in this Agreement or arising from this Agreement and the Merchant has no knowledge of any existing ground on which any such action, suit, litigation or proceedings might be commenced with any reasonable likelihood of success.

**(11) TRANSFER OF OWNERSHIP.**

The Merchant will immediately notify SBI of any sale, assignment, lease or transfer in any way of the Merchant's establishment or business or all or a significant or material part of its assets. The rights obtained under this Agreement are not assignable without written prior approval of SBI.

Where the Merchant proposes to change the nature of business or merchandise sold, which may result in the Merchant Category to be changed in the books of the Card Organization etc., the equipment shall be used only after such change is informed to the Bank and acceptance thereof conveyed in writing to the Merchant.

**(12) DISCLOSURE.-**

SBI will be entitled at any time to disclose any and all information concerning the Merchant within the knowledge and possession of SBI to any party in connection with any card facility provided by SBI, including *inter-alia* information relating to the cause for termination of this Agreement. The Bank reserves the right to verify the information provided by the Merchant at the time of signing this Agreement or any information that it may receive during the course of this Agreement regarding the Merchant's business activities in such manner as may be deemed appropriate by the Bank. This Clause will survive any termination of this Agreement.

**(13) GOVERNING LAW/JURISDICTION.-**

- (a) This Agreement shall be governed by the laws of the Republic of India.
- (b) Any dispute or difference arising out of, in relation to or regarding this Agreement shall be subject to the exclusive jurisdiction of the courts at Mumbai. The Parties hereby agree to submit to such courts at Mumbai in respect of any such dispute or difference.

**(14) TERM AND TERMINATION.-**

- (a) The term of this Agreement shall commence on [            ] (the "Effective Date") and shall continue to remain in force until and unless otherwise terminated pursuant to the provisions of this Agreement (the "Term").
- (b) SBI or the Merchant may terminate this Agreement at any time for any or no reason by giving a 30 (thirty) days' notice.



(c) SBI may immediately terminate this Agreement by serving a termination notice to the Merchant if the Merchant fails to observe any of the terms and conditions of this agreement or commits a breach thereof or if the Merchant is an inactive Merchant as per Banks evaluating criteria

**(15) VALUE ADDED SERVICES.-**

The Parties agree that SBI shall be entitled to offer and provide to the Merchant such Value Added Services that SBI considers appropriate from time to time.

**(16) CONFIDENTIALITY.-**

(a) Neither Party shall, without the prior written consent of the other Party, use or disclose any information whatsoever relating to any transactions or any other critical information to any other person or otherwise use any information acquired by it in relation to the Card Members other than for the purposes of this Agreement, unless such information is required to be disclosed by a statutory or regulatory authority of competent jurisdiction.

(b) This confidentiality condition shall continue in force even after the termination of this Agreement in respect of information obtained during the subsistence of this Agreement.

**(17) 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.

**(18) PROMOTIONAL MATERIALS.**

(a) The Merchant shall display Card Organization's and SBI's symbols and names as well as promotional materials on its premises/location, place(s) of business, establishment(s) provided by the Bank and for the information of the public which is valid/shall be used only till the Term of this Agreement.

(b) SBI is hereby irrevocably authorized by the Merchant to include the Merchant's name in any catalogue or any other promotional material as may be prepared or produced by SBI pertaining to acceptance of Valid Cards or the sales, marketing or promotion of any service offerings.

**(19) GPRS ENABLED PoS FACILITY/MOBILE PoS.**

a. At the request of the Merchant the bank may provide General Packet Radio Service enabled/Mobile PoS terminal to the Merchant. The rentals / charges mentioned in Annexure A/D, as applicable, to this agreement would be applicable and the Merchant agrees that SBI may debit the Merchant account to recover the applicable charges for the services.

b. The rentals may be revised from time to time and Bank which shall advised the changes to the Merchant on the recorded contact details of the Merchant.

c. If the Merchant defaults in payments of rentals for two months, the Bank reserves the right to deactivate / de-install the PoS without any intimation to the Merchant and Merchant shall return the PoS to the Banks representative, failing which the Bank shall recover the cost of the PoS from the Merchant without any notice.

**(20) DYNAMIC CURRENCY CONVERSION (DCC).-**

(1) The following definitions shall form part of clause 1 (Definitions) of this Agreement:-

(i) "Billing Currency/Home Currency" means the currency in which the bills are raised by the issuing bank for transactions made by use of the card.

(ii) "Cut-Off Time" means the time which the Merchant Establishment is required to perform the end of the day settlement of the transactions in Local Currency i.e. Indian Rupees.

(iii) "Transaction Rate" means the exchange rate made available at the time of transaction by the Bank to the cardholder through the Merchant establishment for the purpose of calculating the relevant billing currency.

**(2) Terms and Conditions for operation of SBI DCC for the Merchants:-**

1. At the request of the Merchant the Bank may provide DCC facility to the Merchants with details mentioned in Annexure B (1) to this Agreement.

2. The Merchant hereby agrees to settle all the DCC transactions on a daily basis by initiating the settlement procedure on the PoS.

3. Subject to the rules and regulations of international payment schemes (VISA/MASTERCARD/AMEX), all transactions will be processed in the following manner:-

(a) Bank shall pay the Merchant in accordance to the Annexure B(1), the aggregate amount of the transactions in the Local Currency in respect of all such transactions submitted for settlement and payment by the Merchant

- (b) The Bank advises the exchange rates to the Merchants through the Service Provider and the merchant needs to update the exchange rates on a daily basis at the start of day.
  - (c) Foreign card holder offers to make payment using his foreign card (card issued by a foreign Bank)
  - (d) The Merchant has to swipe/dip the card on the DCC enabled terminal.
  - (e) The terminal will identify the home currency of the card and prompt for DCC service or otherwise showing the exchange rate and mark-up being charged.
  - (f) On acceptance of the DCC service by the cardholder, the Merchant goes ahead and completes the transaction after obtaining the relevant proof of identification of the card holder.
  - (g) Card holder signs the charge slip to confirm the transaction.
  - (h) At end of day Merchant closes the batch/performs the settlement procedure.
4. The Merchant should assist the Bank in case of any requirement for disputed transactions.
  5. The Bank shall pay to the Merchant incentives, if any, only if agreed in writing by the Bank, of the value of the transactions (less refunds) processed by using the SBI DCC facility in local currency only.
  6. The Merchant shall promote SBI DCC to its customers and ensure that its staff and employees comply with the recommended good practice communicated by Bank to the Merchant from time to time.

7. The Bank shall not be liable under this Agreement in the event of a failure/delay to process payments provided that such failure/delay result from. –
- a. The amendment, modification or mistreatment of the DCC application/software by the Merchant;
  - b. The functioning of the DCC application/Software being affected due to other software/hardware and/or networks not provided/authorized by the Bank;
  - c. Operating errors on the part of the Merchant or its staff and employees, or any third party; and
  - d. For any reasons which can be attributed to the negligent conduct of the Merchant or its employee.
8. All other terms and conditions mentioned in this Agreement would also be applicable for DCC facility.

**(21) Cash@PoS FACILITY.-**

- 1. The minimum amount of withdrawal will be Rs.100/- and thereafter in multiples of Rs.100/- subject to maximum as decided by the Bank from time to time but not exceeding the limit set by the regulators.
- 2. Cash withdrawal scheme will be made available to all debit cards and prepaid cards issued in India and as directed by the Reserve Bank of India i.e. cards issued by State Bank group and other Banks as and when activated by respective issuers.

3. A convenience fee may be recovered by the respective card issuing Bank from the account of the card holder and the Merchant shall not collect any charges whatsoever from the card holder.
4. The Cash@PoS facility is available irrespective of whether the card holder makes a purchase or not.
5. Merchant who would avail of Cash@PoS service exclusively for Cash@PoS transactions would be charged monthly rental as mentioned in Annexure B(2).
6. Any display material provided by the Bank with reference to the cash withdrawal facility should be displayed prominently in the Merchant premises.
7. The Bank reserves the right to withdraw the facility of cash withdrawal at its own discretion.
8. All other terms and conditions mentioned in this Agreement would also be applicable for Cash@PoS facility.

**(22) MISCELLANEOUS.-**

(a) **Assignment.**- This Agreement is non-assignable except with the prior written consent of the Bank. However, SBI may assign this Agreement to their respective Affiliates without the consent of the Merchant.

(b) **Relationship between Parties.**- The Parties to this Agreement are independent contractors and nothing in this Agreement shall make them joint venture parties, partners, employees, agents or other representatives of the other Party hereto and neither Party shall make any representation that suggests otherwise.

(c) **Severability.**— If any provision of this Agreement is determined to be unenforceable for any reason, then the remaining provisions hereof shall remain unaffected and in full force and effect.

(d) **Rights and Remedies; Waiver.**— All rights and remedies hereunder shall be cumulative and may be exercised singularly or concurrently. If any legal action is brought to enforce any obligations hereunder, the prevailing Party shall be entitled to receive its attorney's fees, court costs and other collection expenses, in addition to any other relief it may receive. If any Party fails to perform its obligations under any provision of this Agreement and the other Parties does not enforce such provision, failure to enforce on that occasion shall not prevent enforcement on later occasions.

(e) **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.

(f) **Headings and sub-headings.**— The headings and sub-headings in this Agreement are for convenience only and do not affect the meaning of the relative clause.

(g) **Notices.**— Any notice, direction or instruction given under this Agreement shall be in writing and delivered by hand, post, cable, facsimile, email or telex to the Merchant.

(h) The Bank will exercise its discretion to allow or block specific transactions on its assessment of the risks involved.

We hereby agree to pay the charges as signed up by us in the Merchant Application form. We also agree to receive Short Message Service on our registered Mobile Numbers from the Bank and its authorized vendors, from time to time, on matters relating to PoS Terminals/State Bank Buddy/State Bank BharatQR.

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

**SIGNED SEALED AND DELIVERED**

**By the within named**

**MERCHANT:**

Through the hands of:

Authorized Signatory Mr.:

In the presence of:

Sign here

Signature

**BANK:**

Through the hands of its

Authorized Signatory Mr.:

In the presence of:

Sign here

Signature



**All subsequent Annexures form a part and parcel of the Agreement and depend on Merchant acceptance and requirement. Notice and instructions will be deemed to be served 7 days after posting or upon receipt in the case of by post, hand delivery, cable, telex or facsimile.**

**Arrangement letters signed subsequently shall also form part of the MERCHANT Agreement.**

## Annexure - A

### DETAILS FOR GENERAL PACKET RADIO SERVICE ENABLED PoS

#### TERMINALS

1. Merchant Name: **Tamil Nadu Government Registration Department**

Address: **100, Santhome High Road, Santhome, Chennai – 600 028.**

City: Chennai State: Tamil Nadu

Phone: 044-24640160

Email id: igrchennai@gmail.com

**2. Rental Plan (Not Applicable for Tamil Nadu Registration Department)**

	First 48 Months		From 49 <sup>th</sup> Month	
	Desktop GPRS (Rs.)	Portable GPRS (Rs.)	Desktop GPRS (Rs.)	Portable GPRS (Rs.)
Monthly Rental to be collected including Monthly SIM charges	NA	NA	Actual Cost SIM	Actual Cost SIM
One- Month Non Refundable Security Deposit to be recovered at the time of installation, per terminal	Rs.200/-	Rs.400/-	Applicable	Not

Note – Monthly rental for Bharat QR merchants will be nil.

\*One-time non-refundable security amount Rs. .... for Desktop and Rs. .... for Portable GPRS terminal is to be deposited upfront at the time of installation of terminal as a security deposit along with one month rental of Rs. .... for desktop GPRS and .... for portable GPRS. The same will be recovered from the settlement account as provided in the application form without any prior

intimation and as and when the application is approved. The merchant has no objection for the same.

3. This Annexure shall be governed by the terms and conditions mentioned in the Merchant Establishment Agreement and shall be deemed to be part and parcel and shall be read in conjunction with the Merchant Establishment Agreement.

Accepted,

\_\_\_\_\_ (Sign and Stamp of the Merchant)

Noted,

\_\_\_\_\_ (Branch Manager's Seal and Signature)

**(1) ACTIVATION OF DYNAMIC CURRENCY CONVERSION (DCC) FACILITY**

1. Merchant

Name:

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---

Address:

---

---

---

---

City:

---

State:

Phone:

---

Email

id:

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2. State Bank of India will reimburse \_\_\_\_\_ % of the total business or such other rate as may be agreed by the Bank, on international cards done via using DCC on the State Bank of India EDC, on a monthly basis. The rate will be subject to the generation of a minimum stipulated DCC business of **Rs.** \_\_\_\_\_ per month per terminal. The Bank reserves the

right to modify the reimbursement rate in case of non-fulfilment of DCC business.

3. This Annexure shall be governed by the terms and conditions mentioned in the Merchant Establishment Agreement and shall be deemed to be part and parcel and shall be read in conjunction with the Merchant Establishment Agreement.

**Accepted,**

\_\_\_\_\_ **(Sign and Stamp of the Merchant)**

**(2) ACTIVATION OF CASH@PoS FACILITY (Not Applicable for Tamil Nadu Registration Department)**

1. Merchant Name:

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

City: \_\_\_\_\_ State:

\_\_\_\_\_

Phone: \_\_\_\_\_ Email id:

\_\_\_\_\_

2. Incentive to the Merchant: State Bank of India will incentivise the merchant with Rs. \_\_\_\_\_ /- **successful Cash@PoS transaction.**

3. This Annexure shall be governed by the terms and conditions mentioned in the Merchant Establishment Agreement and shall be deemed to be part and parcel and shall be read in conjunction with the Merchant Establishment Agreement.

**Accepted,**

\_\_\_\_\_ (Sign and Stamp of the  
**Merchant)**

**(In case Merchant has not applied for such service, not applicable may  
be written in the space provided)**

## ANNEXURE C

### DETAILS OF THE MERCHANT DISCOUNT RATE & SERVICE CHARGES

#### A) MERCHANT DISCOUNT RATE

The Merchant Discount Rate (MDR) as provided below and shall be recovered for every transaction and the settlement of the net proceeds will be done in line with the conditions enumerated in the Merchant Establishment Agreement signed and as per the agreed settlement period of T+3 working day(s) and shall be net of the transaction amount less MDR and applicable taxes.

For -VISA/MasterCard/Rupay

Sl. No.	Particulars	MDR *# (% of the transaction amount) + Applicable Service Tax
1.	ON-US Debit Card Transactions up to Rs.2000/-	Nil
2.	ON-US Debit Card Transactions above Rs.2000/-	Nil
3.	Off-Us Debit Card Transactions up to Rs.2000/-	Nil
4.	Off-Us Debit Card Transactions above Rs.2000/-	Nil
5.	Credit Card Transactions irrespective of Transaction size	1.9% (Recovered from card holder)
6.	Foreign Card Transactions(INR)	NA
7.	DCC transactions	NA

For - AMEX

<b>Sl. No.</b>	<b>Particulars</b>	<b>MDR (% of the transaction amount) + Applicable Service Tax</b>
1.	AMEX	NA
2.		

\*The Merchant agrees that the prices charged to the Card Members will not exceed the prices charged by the Merchant to the general public for the relevant goods or services.

#Subject to review from time to time and as suitably informed to the merchant

For -State Bank Buddy Transaction - **(Not Applicable for Tamil Nadu Registration Department)**

<b>Sl. No.</b>	<b>Particulars</b>	<b>MDR *# (% of the transaction amount) + Applicable Service Tax</b>
1.	ON-US Debit Card Transactions up to Rs.2000/-	NA
2.	ON-US Debit Card Transactions above Rs.2000/-	NA
3.	Off-Us Debit Card Transactions up to Rs.2000/-	NA
4.	Off-Us Debit Card Transactions up to Rs.2000/-	NA



For –State Bank State Bank BharatQR Transaction - **(Not Applicable for Tamil Nadu Registration Department)**

<b>Sl. No.</b>	<b>Particulars</b>	<b>MDR *# (% of the transaction amount) + Applicable Service Tax</b>
1.	ON-US Debit Card Transactions up to Rs.2000/-	NA
2.	ON-US Debit Card Transactions above Rs.2000/-	NA
3.	Off-Us Debit Card Transactions up to Rs.2000/-	NA
4.	Off-Us Debit Card Transactions up to Rs.2000/-	NA
5	Credit Card transactions	NA

**B) SERVICE CHARGES- (Not Applicable for Tamil Nadu Registration Department)**

i. The Merchant shall pay quarterly commitment charges as mentioned below in case he fails to generate minimum volume of sales as provided below. Such service charge shall be recovered from the merchant from the settlement account/net credit proceeds in the subsequent month without any intimation. In case a merchant notes any discrepancy the same shall be given in writing to the office within 7 days of such recovery failing which the Bank would assume that the charges were correct.

<b>%</b>	<b>Branch</b>	<b>Quarterly value of transaction per TID</b>	<b>Quarterly charges per TID</b>
<b>1</b>	<b>Metro</b>	<b>Less than Rs.45000/-</b>	<b>Rs.650/- + service Tax</b>
<b>2</b>	<b>Urban</b>	<b>Less than Rs.30000/-</b>	<b>Rs.500/- + service Tax</b>

<b>3</b>	<b>Semi Urban</b>	<b>Less than Rs.20000/-</b>	<b>Rs.350/- + service Tax</b>
<b>4</b>	<b>Rural</b>	<b>Less than Rs.15000/-</b>	<b>Rs.250/- + service Tax</b>

**Note – Commitment charges for Bharat QR will be nil.**

ii. In case of the below mentioned situations, the Bank has the right to recover charges from the merchant as under :-

<b><u>Sl. No.</u></b>	<b><u>Particulars</u></b>	<b><u>Charges</u></b>
i.	De-Installation Charges	If de-Installation is done within 6 Months from the date of installation Rs.500/- after 6 Months and before 1 year from the date of installation Rs.150/-
ii.	Adaptor Replacement Charges (First would be provided free of cost)	Rs.500 (including tax) for PSTN & Desktop GPRS models or actual charges whichever is higher Rs.600 (including tax) for Portable GPRS models; or actual charges whichever is higher
iii.	Physical Damage to the terminal due to mis-handling (other than normal wear and tear)	Rs.3000 + Service Tax or the Actual Charges whichever is higher to be debited to merchant account as per actuals

- iii. Merchants wanting hard copy of the monthly transaction MIS, may request the same to their Branch in writing for a charge of Rs.50 per/month plus service tax. The transaction details would be provided to the Merchant within 15 Days of the subsequent Month except in circumstances beyond the control of the Bank.

**Accepted,**

\_\_\_\_\_ (Sign and Stamp of the  
**Merchant)**

**Annexure-D - (Not Applicable for Tamil Nadu Registration Department)**

**DETAILS FOR MOBILE PoS(mPoS) TERMINALS**

1. Merchant

Name:

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

City:

\_\_\_\_\_

State:

\_\_\_\_\_

Phone:

\_\_\_\_\_

Email id:

\_\_\_\_\_

2. Rental Plan

<b>Particulars</b>	<b>Mobile PoS</b>
<b>Monthly Rental to be collected</b>	<b>Rs.</b>
<b>One- Month Non Refundable Security Deposit to be recovered at the time of installation, per terminal</b>	<b>Rs.500/-</b>

\*One-time non-refundable security amount Rs. .... for the Mobile Dongle is to be deposited upfront at the time of installation of terminal as a security deposit along with one month rental of Rs. .... The same will be recovered from the settlement account as provided in the application form without any prior

intimation and as and when the application is approved. The merchant has no objection for the same.

3. These mPoS dongles carry a warranty period of three years. During the warranty period, the vendor will replace the dongle free of cost, if it does not work or malfunction. However, the cost of the dongle i.e. Rs.2,250/-plus tax will be recovered from the merchant , in the following cases:-

- If dongle is lost by the merchant or damaged due to the negligence.
- In case of de-installations, if merchant refuses to handover the dongle to the Bank.

4. This Annexure shall be governed by the terms and conditions mentioned in the Merchant Establishment Agreement and shall be deemed to be part and parcel and shall be read in conjunction with the Merchant Establishment Agreement.

Accepted,

\_\_\_\_\_ (Sign and Stamp of the Merchant)

Noted,

\_\_\_\_\_ (Branch Manager's Seal and Signature)

KA. BALACHANDRAN  
PRINCIPAL SECRETARY TO GOVERNMENT

//True Copy//

  
SECTION OFFICER