

NODAL BANK AGREEMENT

This **Agreement** is made and entered into at [●] on this [●] day of [●], 2014 by and amongst:

_____, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at _____, India and its corporate office at _____ (hereinafter referred to as the “**Aggregator**” which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **ONE PART**;

AND

Axis BANK Limited, a company incorporated under the Companies Act, 1956 and carrying on its business of banking under the Banking Regulation Act, 1949, having its registered office at 3rd Floor, 'Trishul', Opp. Samartheshwar Temple, Law Garden, Ellis Bridge, Ahmedabad-380006 and its corporate Office at Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400 025 and a branch at [●] (hereinafter referred to as the “**Nodal Bank**”, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the **OTHER PART**.

The Aggregator and the Nodal Bank shall be individually referred to as a “**Party**” and collectively as “**Parties**”.

WHEREAS:

- A. The Aggregator offers electronic commerce services which includes electronic on-line payment and collection management services (“**Aggregator Services**”);
- B. The Merchants (as hereinafter defined) offer their Products (as hereinafter defined) for sale on-line. Payments for the purchase of / availing of such Products by Customers (as hereinafter defined) are remitted by the Participating Banks (as hereinafter defined) to the Aggregator; who onward remits the amounts so received to the Merchants;
- C. The Merchants and Participating Banks avail of the Aggregator Services provided by the Aggregator and in this regard, the Aggregator has entered into arrangements with such Merchants and Participating Banks, whereby the Aggregator provides a platform to facilitate the on-line payment for such Products by the Customers through the electronic on-line / internet banking services of the respective Participating Banks;
- D. The Nodal Bank is in the business of providing banking services;
- E. Pursuant to the RBI Directions (as hereinafter defined), the Aggregator has approached the Nodal Bank and has requested it to maintain an account in which monies will be received from the Participating Banks on account of payments made by Customers for on-line purchases towards the Products, which monies will have to be thereafter transferred to the respective Merchants from whom such Products have been purchased / availed of;
- F. Subject to the terms and conditions set out hereinafter and to the representations, warranties and undertakings of the Aggregator, the Nodal Bank has agreed to maintain such an account for the purposes set out in Recital E above on the terms and upon the conditions hereinafter appearing.

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

1. DEFINITIONS AND INTERPRETATION

- 1.1 In these presents unless there is anything in the subject or context inconsistent therewith, the capitalised terms listed below shall have the following meanings

“**Aggregator Statement**” shall have the meaning ascribed to it in Clause 4.1(c) below.

“**Applicable Law**” shall mean any statute, regulations, notification, circular, order, ordinance, requirement, direction, guideline, announcement or other binding action or requirement of an authority, which has the force of law in India.

“Business Day” means any day of the week (excluding Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are open for general banking business in _____ and **“Business Days”** shall be construed accordingly;

“Completion Intimation” shall have the meaning ascribed to it in Clause 4.1(a) below.

“Customers” shall mean the persons who have purchased or availed of the Products offered by the Merchants by utilising the Aggregator Services.

“Aggregator Services” shall have the meaning ascribed to it in Recital A above;

“Governmental Authority” means any nation or government or any province or state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of India, any court, tribunal or arbitrator; and any self-regulatory organization.

“Merchants” shall mean and include those merchants who avail of the Aggregator Services to facilitate the sale by them of their Products on-line and the acceptance by them of payments through electronic/online payment mode for Products so sold.

“Products” shall mean goods and/or services offered for sale by the Merchants on-line.

“Participating Banks” shall mean the banks with whom the Customers maintain the accounts through which their payments are made in respect of the Transactions and from whom the Nodal Bank will receive monies for onward payment to the Merchants.

“Participating Bank Statement” shall have the meaning ascribed to it in Clause 4.1(b) below.

“Nodal Bank Account” shall mean the internal limited purpose current account opened and maintained by the Nodal Bank for the purposes specified in Recital E above, the details of which current account are more particularly set out in the Schedule hereunder written.

“Nodal Bank Fee Letter” means any letter or letters referring to this Agreement between the Aggregator and the Nodal Bank setting out the fees payable by the Aggregator to the Nodal Bank referred to in Clause 7(k) hereof;

“Non-Delivery versus Payment Transactions” shall mean transactions in which the delivery of the goods/ services is not done immediately/ simultaneously on the completion of payment by the Customer but rather transactions where the Nodal Bank receives remittances from the Participating Banks on behalf of the Customers for onward payment to the Merchants for the Products.

“RBI Directions” shall mean the Reserve Bank of India circular dated November 24, 2009 bearing No. DPSS.CO.PD.No.1102/02.14.08/2009-10 issued to all banks, payment system providers and system participants with regard to opening and operation of accounts and settlement of payments for electronic payment transactions involving intermediaries.

“Transaction” shall mean the on-line purchase of any Products by the Customer including the payment made by the Customer for such Products through a Participating Bank.

1.2

In this Agreement, unless the context otherwise requires:

(a)

the singular includes the plural, and vice versa and words of any gender are deemed to include the other genders;

(b)

the terms “hereof”, “herein”, “hereby”, “hereto” and derivatives or similar words refer to this entire Agreement;

(c)

- (d) references to the word “include” or “including” shall be construed without limitation; reference to any article, clause, annexure or schedule means an article or clause of, or an annexure or schedule to, this Agreement;
- (e) reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under that provision;
- (f) the term “person” includes an individual, a partnership firm, a company (as defined in section 3 of the Companies Act, 1956), a body corporate (as defined in section 2(7) of the Companies Act, 1956), a co-operative society, a trust, an association of persons whether incorporated or not and any other entity;
- (g) heading and bold typeface are used only for convenience and shall be ignored for the purposes of interpretation.

2.

2.1 SCOPE OF THE AGREEMENT

This Agreement sets out the respective rights and obligations of the Aggregator and the Nodal Bank with respect to receipt of monies by the Nodal Bank into the Nodal Bank Account from various Participating Banks on account of payments made by Customers for on-line purchases of the Products.

3.

3.1. NODAL BANK ACCOUNT

The Nodal Bank Account shall be operated and maintained solely by the Nodal Bank and strictly in accordance with the terms of this Agreement;

3.2.

Nothing in this Agreement should be construed to confer any rights on the Aggregator to either operate or maintain the Nodal Bank Account. The Aggregator is only entitled to ‘view rights’ in respect of the Nodal Bank Account i.e. [the right to receive statements reflecting the transactions in the Nodal Bank Account] and shall not be entitled to a cheque book, the right to draw on the funds lying in the Nodal Bank Account by way of a draft, cheque or otherwise and/or to hypothecate or create any security over the Nodal Bank Account.

3.3.

The Aggregator acknowledges and confirms that the Nodal Bank Account shall be an internal account of the Nodal Bank and the Aggregator shall, save as provided in Clause 3.2 above, have no right title or interest whatsoever in the Nodal Bank Account and/or the monies lying therein

4.

PROCESS FLOW

Process flow for the Nodal Account arrangement is annexed. Please refer Annexure 1

4.1

The Nodal Bank shall remit funds from the Nodal Bank Account in accordance with the process agreed within 3 (Three) Business Days. Notwithstanding the aforesaid, the Nodal Bank shall be obliged to so remit the funds only if the following conditions are satisfied:

- (a) The Aggregator Statement and the Participating Bank Statement match and/or the Aggregator has provided instructions not later than 2 (Two) days from the date of receipt of the Completion Intimation by the Nodal Bank;
- (b) There are free and clear funds in the Nodal Bank Account which are sufficient to effect the remittances set out in the Aggregator Statement;
- (c) The Nodal Bank is not prohibited from making the remittance by Applicable Law and/or the order, direction or judgement of any Governmental Authority.

5.

REPRESENTATIONS AND WARRANTIES

Each of the Parties represents and warrants to the other as under

- (a) It has all requisite power and authority to execute, deliver and perform this Agreement and the terms and conditions contained herein;
- (b) This Agreement has been validly executed and delivered and constitutes a legal, valid and binding obligation

- (c) on such Party;
The execution, delivery and performance of its obligations under this Agreement does not and will not
 - (i) contravene any Applicable Law; or
 - (ii) conflict with or result in any breach or default under any agreement, instrument, regulation, licence or authorisation binding upon it or any of its assets.
- (d) There are no other commitments / agreements entered into by it which may be in breach of the terms of this Agreement or the obligations of such Party thereunder;

6.

6.1 ROLE OF NODAL BANK

The Nodal Bank shall perform its duties and obligations under this Agreement in the manner and subject to the conditions and limitations set out in Clause 4 above and this Clause 6.

6.2

"Aggregator's Commission (TDR) is a part of the amount transferred by the Nodal Bank to the Aggregator's corporate account. Aggregator shall be responsible for calculation of the commission amount and Nodal Bank shall not be in any manner responsible and liable for any miscalculated or erroneous commission amount transferred to _____ by the Nodal bank It shall be the Aggregator's sole responsibility to deduct its commission while transferring the amount to the Merchants"

6.3

Save as provided in Clause 6.1 above, the Nodal Bank shall have no other obligations and/or duties, whether express or implied, under this Agreement and/or in respect of the Nodal Agreement. In particular, the Nodal Bank shall not be obliged to:

- (a) act as per or even acknowledge any communications or instructions received by it directly from a Customer or Merchant;
- (b) take note of or take any action in respect of any dispute between a Customer and a Merchant, or a Merchant and the Aggregator and/or a Customer and a Participating Bank;
- (c) coordinate, verify or take any other action in respect of any refunds which may be due from a Merchant to a Customer and the same shall be settled directly by and between the respective Merchants and Customers and the Aggregator or the Participating Banks;
- (d) do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any Applicable Law.

6.4

In the performance of its duties under this Agreement the Nodal Bank may rely on:

- (a) any instruction, notice, statement or document believed by it to be genuine, correct and appropriately authorised and shall have no duty to verify any signature on any document; and
- (b) any statement purportedly made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

7.

AGGREGATOR REPRESENTATIONS COVENANTS AND UNDERTAKINGS

The Aggregator hereby represents, warrants, agrees, covenants and undertakes as under;

- (a) There are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions, governmental investigations, orders, judgments or decrees of any nature made, existing, or pending or, to the best knowledge of the Aggregator, threatened or anticipated against it which may prejudicially affect the due performance by it of or enforceability of this Agreement or any obligation, act, omission or transactions contemplated hereunder.
- (b) The sale of the Products by the Merchants is in compliance with Applicable Law and the Aggregator shall ensure that it shall not offer the Aggregator Services to any Merchant(s) in respect of the sale of such Products, the sale of which is prohibited under Applicable Law.

- (c) The Aggregator shall perform its duties and obligations under this Agreement in the manner set out in Clause 4 above;
- (d) The Aggregator shall ensure that it provides the Completion Intimation, the Aggregator Statement and/or any instructions to be provided in a prompt and timely manner to enable the Nodal Bank to perform its obligations within the time frame mandated by the RBI Directions;
- (e) The Aggregator shall ensure that all the information provided by it to the Nodal Bank (including the information/ instructions set out in the Completion Intimation and the Aggregator Statement) is true and correct;
- (f) The Aggregator shall provide such clarifications which the Nodal Bank may seek in connection with the performance of its duties under this Agreement;
- (g) The Aggregator shall not describe itself as an agent or representative of the Nodal Bank, nor pledge the credit of the Nodal Bank in any way;
- (h) The Aggregator shall not make any representations or warranties to any Customer, Merchant or other third party or undertake any obligations which may require the Nodal Bank to undertake to or be liable for, directly or indirectly, any obligation and/or responsibility to a Customer, Merchant or other third party;
- (i) The Aggregator acknowledges that in case it is desirous of providing instructions or information to the Nodal Bank through electronic mail or facsimile transmission it shall execute such declarations, indemnities or documents as may be required by the Nodal Bank;
- (j) The Aggregator shall pay the Nodal Bank its fees in the manner and at the rate specified in the Nodal Bank Fee Letter;
- (k) The Aggregator acknowledges and confirms that the Nodal Bank shall be entitled to revoke / hold the execution of any Transaction, if so required under any notice/order/direction received from any Governmental Authority; and
- (l) The Aggregator agrees and confirms that in case there is non-availability of funds in the Nodal Bank Account to complete a Transaction the Nodal Bank shall be entitled to revoke or decline to complete such Transaction. The Aggregator accepts all liability associated with such non-availability of funds in the Nodal Bank Account.

8.

INDEMNITY

The Aggregator expressly and unequivocally agrees to and hereby does indemnify, save, defend and hold harmless the Nodal Bank and its officers, directors, employees, shareholders, agents, consultants and other representatives, successors and assigns of, from and against all, direct and indirect, claims, damages, losses, costs and expenses, including attorneys' fees arising out of any action omission, breach or default by the Aggregator and/or its employees or agents under or in the course of performing this Agreement and/or arising out of violation or non-compliance of Applicable Law and/or otherwise incurred by the Nodal Bank in the course of performance of its obligations under this Agreement.

9.

9.1 TERM AND TERMINATION

This Agreement shall, unless terminated earlier in accordance with the provisions of this Agreement, be in force for a period of _____ year[s] from the date of its execution subject to automatic renewal for successive terms of _____ year[s] each unless either Party gives the other Party notice in writing of non-renewal at least [1] (One) month prior to the date on which the Agreement is due to expire.

9.2

Notwithstanding anything contained in this Agreement, either party can terminate this Agreement without any reason by giving the other party a prior written notice of ____ days.

9.3

The Nodal Bank may terminate this Agreement immediately upon written notice at any time upon occurrence of any one of the following events:

(a)

If the Aggregator commits a breach of or is in breach of any term, condition, covenant or undertaking of this

Agreement and fails to cure the breach within [30] days after written notice thereof has been provided by the Nodal Bank. Further, in the event the Aggregator breaches its obligations stipulated in Clauses 7(b), 7(g) and/or 7(k) hereof, the Nodal Bank shall be entitled to terminate this Agreement forthwith without the provision of any cure period for remedying such breach; or

(b)

The Aggregator: (i) is wound up; (ii) files a petition for winding up or a petition for winding up is filed against it and the same is not dismissed within ____ days of its being filed (iii) ceases to carry on business or (iv) makes an arrangement for the benefit of its creditors or if, the court receiver, liquidator or any other similar officer is appointed as receiver of all/any of the properties of the Aggregator.

9.4

Upon the expiry or sooner termination of this Agreement for any reason whatsoever the Aggregator shall:

(a)

Immediately refrain from any action that would or may indicate any relationship between it and the Nodal Bank.

(b)

Immediately cease to use in any manner whatsoever the name of the Nodal Bank.

(c)

Forthwith hand over to Nodal Bank the possession of all documents, material (including any copies thereof) and any other property belonging to Nodal Bank that may be in the possession of the Aggregator or any of its employees, agents or individuals assigned to perform the services under this Agreement.

9.5

The expiry or termination of this Agreement shall be without prejudice to the accrued rights and obligations of the Parties and all such accrued rights and obligations shall remain in full force and effect and be enforceable not withstanding such expiry or termination.

9.6

Nodal Account and provisions of this Agreement are subject to applicable law and regulations and would be modified / discontinued based on the prevailing law / regulation at any point of time and neither party shall be under any liability or obligation or continue implementation of the Nodal Account till such time the terms are modified by the Parties as per the prevailing/ amended law at that point of time. In the event, that the Nodal Account cannot be continued without total compliance of the prevailing law at any point of time, this Agreement shall be deemed to be terminated forthwith from the date when the amended law restricting / prohibiting the arrangement comes into force.

10.

10.1 GOVERNING LAW, JURISDICTION AND ARBITRATION

This Agreement shall be governed by, and construed in accordance with, the laws of India. The Parties agree that if the process of the courts is required to be invoked for enforcement of Clause 10.2 below, including for seeking of any interim relief prior, during or after invocation of Clause 10.2 below, the competent courts at Mumbai shall have exclusive jurisdiction and both the Parties hereto submit to the same.

10.2

All disputes, differences and/or claims arising out of these presents or as to the construction, meaning or effect hereof or as to the rights and liabilities of the Parties shall be settled by arbitration to be held in Mumbai in accordance with the provisions of the Arbitration and Conciliation Act, 1996 (or any statutory amendments thereof or any statute enacted for replacement thereof) and shall be referred to the sole arbitration of a person to be nominated by the Nodal Bank. In the event of death, refusal, neglect, inability or incapability of the person so appointed to act as an arbitrator, the Nodal Bank may appoint a new arbitrator. The award including interim award/s of the arbitrator shall be final and binding on all parties concerned. The arbitrator may lay down from time to time the procedure to be followed by him in conducting arbitration proceedings and shall conduct arbitration proceedings in such manner as he considers appropriate. Language of arbitration proceedings shall be English.

11.

11.1 NOTICES

All notices, approvals, instructions, demand and other communication given or made under this Agreement shall be in writing and may, subject to Clause 7(j) hereof, be given by facsimile, electronic mail, by personal delivery or by sending the same by pre-paid registered mail addressed to the relevant Party at its address, fax number or email set out in below (or such other address, fax number or email as the addressee has by 5 (five) days' prior written notice specified to the other Party):

Aggregator: _____

Attn.: _____

Address: _____

Facsimile no.: [●] _____

Email: _____

Nodal Bank: _____

Attn.: [●] _____

Address: [●] _____

Facsimile no.: [●] _____

Email: [●] _____

11.2

Any notice, approval, instruction, demand or other communication so addressed to the relevant Party shall be deemed to have been delivered (i) if given or made by registered mail, 5 (five) days after posting; (ii) if given by personal delivery at the time of delivery; and (iii) if given or made by facsimile, upon receipt of a transmission report confirming dispatch; (iv) if given or made by email, upon receipt of a mail delivery report confirming receipt by the other Party. Provided that facsimile transmission or email shall be immediately on the same day followed by a copy of the notice by a reputable overnight courier.

12.

12.1. **CONFIDENTIALITY**

Each Party will at all times, both during the term of this Agreement and after its expiry or earlier determination, keep confidential this Agreement and all information, data, reports, and other records that either Party receives from the other that is designated as confidential in writing or, if disclosed orally, reduced to writing and designated as confidential within 30 (thirty) days including the terms, conditions, and existence of this Agreement (hereinafter referred to as "**Confidential Information**").and will not use such Confidential Information except as expressly permitted herein.

12.2.

Each Party shall take all reasonable measures to maintain the confidentiality of such Confidential Information, but not less than the measures it uses for its own confidential information.

12.3.

Each party will limit the disclosure of such Confidential Information to those of its employees, advisors and officers with a bona fide need to know/ access such Confidential Information for a party's exercise of its rights and obligations under this Agreement; provided that all such employees and officers are subject to binding use and disclosure restrictions at least as protective as those set forth herein.

12.4.

Confidential Information will not include any information that (a) is or becomes generally known to the public through no fault or breach of this Agreement by the receiving party; (b) the receiving party can demonstrate by written evidence was rightfully in the receiving party's possession at the time of disclosure, without an obligation of confidentiality; (c) is independently developed by the receiving party without use of or access to the disclosing party's Confidential Information; or (d) the receiving party has rightfully obtained such information from a third party without having any duty of confidentiality in respect thereof and/or restriction on its use or disclosure; or is required by law or by order of any court or government or regulatory agency. However in such an event, the receiving Party (which is disclosing the information pursuant to order) shall intimate the disclosing party about the disclosure.

13.

13.1 **MISCELLANEOUS**

Right to audit: The Aggregator hereby unequivocally agrees that the Nodal Bank or RBI or person authorized by RBI or the Nodal Bank shall have a right to conduct an audit of the Nodal Account.

13.2

Amendments: All amendments or supplements to the terms of this Agreement can be made only in writing duly signed by each Party.

13.3

Amalgamation, reconstruction, etc.: The Aggregator shall not make any material change in its management,

enter into any compromise arrangement with its shareholders or creditors, pass a resolution of voluntary winding up or implement any scheme for restructuring, reconstruction, consolidation, amalgamation, merger or other similar purposes or materially change its shareholding structure without the prior written consent of the Nodal Bank.]

13.4

No Partnership: Nothing contained in the Agreement shall constitute or be deemed to constitute a partnership between the Parties, and no Party shall hold himself out as an agent for the other Party, except with the express prior written consent of the other Party. In particular the Aggregator shall not be entitled to use the name or logo of the Nodal Bank in connection with the provision by it of the Aggregator Services, except as may be expressly permitted by the Nodal Bank in writing.

13.5

Time: Any date or period as set out in any Clause of this Agreement may be extended with the written consent of the Parties failing which such time shall be of the essence.

13.6

Independent Rights: Each of the rights of the Parties hereto under the Agreement are independent, cumulative and without prejudice to all other rights available to them, and the exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of the Party, whether under the Agreement or otherwise.

13.7

Limitations on Rights of Third Persons: Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any person other than the Parties hereto any rights or remedies under or by reason of the Agreement or any transaction contemplated thereby, except to the lawful successors and permitted assigns of the Parties hereunder.

13.8

Counterparts: The Agreement may be executed in any number of originals or counterparts, each in the like form and all of which when taken together shall constitute one and the same agreement and any Party may execute this Agreement by signing any one or more of such originals or counterparts.

13.9

Waiver: Waiver of any breach of any provision of this Agreement shall not constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorised representative of the waiving Party.

13.10

Severability: If any provision of this Agreements is invalid, unenforceable or prohibited by law, this Agreement shall be considered divisible as to such provision and such provision shall be inoperative and shall not be part of the consideration moving from either Party hereto to the other, and the remainder of this Agreement shall continue to remain valid, binding as though such provision was not included herein. In such an event, the Parties shall make all possible efforts to replace the invalid/ unenforceable/ illegal provision with a valid, enforceable and legal provision embodying the intention of the Parties as gathered from the earlier provision.

13.11

Force Majeure: Either Party shall not be liable for any failure or delay in its performance under this Agreement due to acts of God, acts of civil or military authority, fires, epidemics, floods, earthquakes, riots, sabotage or destruction of production facilities, systems failure, technical mishaps, strikes, work stoppages, or other industrial disputes provided that either Party: (a) gives the other Party written notice of such cause within 10 (ten) Business Days of discovery of the event; and (b) uses its reasonable efforts to remedy such delay in its performance.

13.12

Further Assurances: The Parties hereto hereby agree to execute and deliver all documents and instruments and to take or cause to be taken such other actions that are reasonably necessary or appropriate to consummate the transactions contemplated by the Agreement.

13.13

Agreement: This Agreement constitutes the entire understanding between the Parties relating to the subject matter hereof and supersedes all previous writings, negotiations and understandings.

13.14

Survival: The rights and obligations of the Parties under the Agreement which by their nature survive the termination or which are specified to survive termination of this Agreement shall not be extinguished by termination of this Agreement.

13.15

Drafting: Neither the Agreement or other documents nor any provision contained therein will be interpreted in favour of or against any party hereto because such party or its legal counsel drafted the Agreement or such provision.

13.16

Taxes: The Aggregator shall during the period of this Agreement bear all present and future taxes and other charges levied from time to time by any Governmental Authority pertaining to or in respect of the Fees paid by the Aggregator to the Nodal Bank under this Agreement and/or any other amounts payable pursuant to this Agreement and pay the same on demand by the Nodal Bank. The Parties would however bear their own income taxes.

IN WITNESS WHEREOF the Parties hereto have caused these presents to be executed the day and year first hereinabove written in the manner hereinafter appearing.

SIGNED AND DELIVERED by the within named)
_____)
Being the Aggregator abovenamed)
by the hand of Mr.)
_____ an authorized)
representative of the Aggregator)

SIGNED AND DELIVERED by the within named)
Axis BANK LIMITED)
Being the Nodal Bank abovenamed)
by the hand of Mr.)
_____ an authorized)
representative of the Nodal Bank)

Annexure 1:

OPERATING PROCESS NOTE

A. Nodal Registration for Merchants

1. Beneficiary codes of each Merchant shall be created by Aggregator and uploaded on the Nodal Bank's panel. A step-by-step process flow is enumerated below:
 - i. Aggregator will generate Beneficiary codes for every Merchant account that requires nodal registration.
 - ii. Each nodal registration request shall originate with the legal name of the Merchant, account number, IFSC code and account type.
 - iii. Aggregator shall upload this file into Nodal Bank's panel. The file format for Merchant upload will be agreed between Axis Bank and Aggregator.
 - iv. It is clarified that for settlement to the Merchant, the Aggregator shall only provide the Beneficiary codes to the Nodal Bank. The Nodal Bank shall make payments in accordance with the codes.

B. Merchant On-boarding

Option A

- Aggregator to share the list of merchants to be on-boarded on the Nodal account platform alongwith an indemnity letter issued on Aggregator's letter head.
- Aggregator to upload the soft feed of the Merchant data in the system provided by the Bank. Format of the upload can be mutually agreed. Along with this soft feed, Aggregator to share the scanned image of the indemnity letter along with the merchant list on a designated email id.
- Bank's operation team to verify the details and authorise the Merchant details uploaded on to the platform
- Hard copies of the indemnity letter along with CA certificate need to be shared with Bank on a fortnightly basis.

Option B

- Aggregator to provide details of Merchant on Merchant's letter head signed by authorised signatory and also by authorised signatory of Aggregator. Letter shall contain details like Merchant Name, Bank Details and Payment TAT and conditions
- Aggregator to upload the soft feed of the Merchant data in the system provided by the Bank. Format of the upload can be mutually agreed. Alongwith this soft feed, Aggregator to share the scanned image of the letter on a designated email id of the bank
- Bank's operation team to verify the details and authorise the Merchant details uploaded on to the platform
- Original copies of the letter to be shared with Bank on a fortnightly basis along with CA certificate validating the details.

C. NODAL ACCOUNT PROCESS FLOW

1. Incoming Funds (CREDIT)
 - a. Axis Bank will deploy virtual account collection (VACP) mechanism for accepting credits from various participant & IPG banks
 - b. VACP also has sender account validation i.e. account numbers maintained in the master table would only be able to initiate credit transactions into the account
 - c. Aggregator would have to provide participant bank/IPG bank account details for this registration & also intimate the bank in any change of account numbers
 - d. Based on Aggregator requirements the virtual account can be set-up accordingly i.e. 7 layer account number can be formulated for participant's bank to credit into. In the backend all these virtual accounts will be mapped to the main Nodal account
 - e. All transactions initiated from non-registered remitters would be rejected
 - f. Aggregator will receive automated MIS with remitter details

2. Outgoing Funds (DEBIT)

As per the process incoming funds are adjusted against Merchants Payouts & commission transfer:

Batch wise Settlement

Aggregator receives the funds from banks on basis of cards & net banking transactions. Multiple Merchant payout is created every day depending on funds in Nodal Account. The manual upload with 'Maker & Checker' concept shall be followed.

- A.** Merchants Payouts – Post Reconciliation & Settlement activity banks aggregate value is bifurcated on the basis of Merchants and payout is released through the Nodal Bank portal manual upload. Batch wise payouts shall be released to Merchant depending on their volume, value & agreement with Aggregator. Format for the upload will be mutually agreed.
- B.** Corporate Transfers – Aggregator's commission (TDR) is also a part of banks aggregate value and same is transferred to Aggregator's corporate account.
Nodal Bank shall remit the funds from the Nodal Bank Account within 3 Business days post it receives credit into the Nodal account.

3. Audit Report

- a.** Aggregator to submit a CA certificate confirming that the payments from the Nodal account are as per RBI issued Guidelines.
- b.** Aggregator also to support Bank in terms of providing Data points for any audit conducted at the Bank's end.