

## **E-COLLECTIONS – Virtual Account T&C**

### **1. DEFINITIONS**

In this Schedule, the following words have the meaning stated hereunder unless indicated otherwise:

- a) “Account” shall mean bank account of the Client with CSB Bank which is designated as an eligible account by CSB Bank for the purposes of this Facility.
- b) “Virtual ID” refers to the unique number mapped to the Account which shall either be (i) solely the Consumer Number or (ii) a combination of the Consumer Number and the Client Code.
- c) “Application” shall mean the E-Collections application prescribed by CSB Bank for availing the Facility.
- e) “Consumer” shall mean the accountholder of the Client who shall be receiving funds in his/her account with the Client by usage of the Electronic Fund Transfer.
- f) “Consumer number” shall mean the unique number allotted to each Consumer by the Client for the purpose of receiving funds in his/her account with the Client, through the usage of Electronic Fund Transfer.
- g) “Client Code” refers to the unique code allotted by CSB Bank to the Client for the purpose of availing the Facility.
- h) “Electronic Fund Transfer” shall mean any mode of electronic fund transfer recognized by RBI including but not limited to RTGS, NEFT, IMPS, UPI and fund transfer from and to accounts of the same bank.
- i) “Hierarchy Code” refers to the unique code that shall be allocated to each Account for the purpose of availing of Hierarchy Pooling.
- j) “Hierarchy Pooling” refers to a mode of crediting the relevant Account(s) basis the corresponding Hierarchy Code(s).
- k) “CSB Bank” refers to CSB Bank Limited, a company within the meaning of the Companies Act, 2013 and a banking company within the meaning of Section 5(c) of the Banking Regulation Act, 1949
- l) “Facility/Service” shall mean the e-collection facility and any other connected services, offered by CSB Bank to the Client under its cash management services and as described hereunder.
- m) “IFSC” or Indian Financial System Code” shall mean the eleven digit alpha-numeric code recognized by RBI, which identifies a particular branch of a bank participating in electronic payment system.

n) "Inward File" shall mean the payment instruction received by CSB Bank including the electronic

message received by CSB Bank from Reserve Bank of India for RTGS/NEFT transfer, for the purpose of crediting the Account.

2. Words or expressions used in this Schedule, but not specifically defined herein shall have the respective meanings assigned to them by CSB Bank or Reserve Bank of India from time to time.

**APPLICATION** The Client shall make an Application to CSB Bank for use of the Facility. CSB Bank shall be entitled at its sole discretion to accept or reject any Application as may be submitted by the Client. By applying for or availing of the Facility, the Client acknowledges as having read, understood and accepted these Terms and Conditions.

#### SERVICES

CSB Bank shall act, as a banker to the Client for the purpose of transferring all funds received for Consumers in the Account of the Client. Such funds received for Consumer may be as transferred by such Consumers through their bank account/s other than the one held with Client, and/or as may be received from third parties.

a) The Client may send the details of the Consumers (including consumer name, Consumer Number and such other details as may be required by CSB Bank), to CSB Bank in an electronic or physical form at such designated email addresses and/or the mailing address as may be notified by CSB Bank to the Client from time to time if the Client wishes CSB Bank to validate the inward NEFT/ RTGS transactions received under the Facility. In the event CSB Bank requires the details in an electronic form to be followed by a physical copy, the Client shall promptly send such physical copy of the details to CSB Bank upon CSB Bank's request. The details provided by the Client to CSB Bank shall be registered with CSB Bank for the purpose of provision of the Facility. The Client need not send the details of his Consumers to CSB Bank if he does not wish CSB Bank to validate the inward NEFT/ RTGS transactions against the Consumer database.

b) CSB Bank shall not be liable for any loss or damage which may arise as a result of the Client furnishing incorrect details of the Consumers or any other necessary details of whatsoever nature to CSB Bank which details shall be used by CSB Bank to credit money/funds in the Account of the Client. The Client shall ensure that there is no duplication of the Consumer Number for any two Consumers in the data submitted by the Client to CSB Bank for the purpose of availing the Services,

failing which the Client shall bear all losses, costs, consequences which may arise thereafter.

c) The Client shall ensure that the Consumer is provided with all of the following details (i) the Indian financial system code[IFSC], and ii) Virtual ID.

The Consumer shall in turn ensure that the Consumer / such third party, as the case may be, suitably incorporates these details in the Inward File while transferring funds through Electronic Fund Transfer. The Client acknowledges that CSB Bank shall solely rely on the Virtual ID and/or IFSC as mentioned on the Inward File for processing the transaction and crediting the Account and shall not be liable for any loss suffered by the Client /Consumers due to the processing of

transactions by CSB Bank on the basis of such details. The Client agrees that in case of a discrepancy in the Virtual ID, IFSC and other information mentioned in the Inward File and the details registered with CSB Bank, CSB Bank shall have the absolute discretion to reject the transaction or process the same based on its judgment and the Client shall not hold CSB Bank liable for any consequences which may arise based on the aforesaid decision of CSB Bank.

d) The Client acknowledges that CSB Bank shall solely rely on the Virtual ID and IFSC mentioned in the Inward File for the purpose of identifying the Consumers who shall receive the money/funds from the Client and thereafter for providing MIS to the Client.

e) With the express authorization of the Client, CSB Bank may in its absolute discretion process the transaction and credit the Account solely on the basis of the Client Code.

f) The Client hereby unconditionally and irrevocably authorizes CSB Bank to reverse any credit entry in the Account, if the same has been wrongly credited to the Account or paid to the Client or any person on behalf of the Client.

g) The Client shall not hold CSB Bank liable in any manner for any actions taken by CSB Bank in accordance with sub clauses (c), (d), (e) and (f).

h) The Client shall not deal in any virtual / digital / Crypto currencies and that the CMS setup will not be used for collections from or payments in relation to any transaction related to virtual digital / Crypto currencies. The Client agrees and accept that CSB Bank may take necessary actions as per their internal policies or as per instructions of RBI / any other regulator or government agency in this regard, as the case may be, in the event of noncompliance with this term.

#### HIERARCHY POOLING

(a) For enabling Hierarchy Pooling, the Client shall sign an Application Form with the Bank. A request for enabling Hierarchy Pooling may be made for the Accounts as identified in the Application form, provided that the mode of operation (as originally set up for the Account) for all the Accounts is the same. If any of the Account(s) has/have a different mode of operation, the relevant authorised signatories of the Client shall sign a separate Application for availing Hierarchy Pooling for each such Account.

The Client shall assign Hierarchy Code(s) to its Account(s) and intimate the same to CSB Bank. The payers of the Client shall use Virtual ID to make payment to the Client and CSB Bank shall rely on the Hierarchy Code(s) to credit the corresponding Account(s).

(b) CSB Bank shall not be responsible for any error in payment or incorrect receipt of credits in the Account(s) pursuant to the Client availing Hierarchy Pooling.

(c) It will be the duty of the Client to verify the amounts credited into the Account(s) linked to

the Hierarchy Code(s). CSB Bank shall not be liable for carrying out any reconciliation of the amounts credited into the Account.

#### SIGNATORIES

The Client shall, from time to time, furnish to CSB Bank, the specimen signatures of its authorised representatives who are authorised to furnish details to CSB Bank and/ or give instructions to CSB Bank in relation to the Facility.

#### REPRESENTATIONS AND WARRANTIES

The Client represents to CSB Bank that:

- a) The Client has full power to perform its obligations in accordance with these Terms and Conditions and has taken all necessary action, including all internal and corporate approvals, for execution of the Application and availing of the Facility.
- b) Availing of the Facility from CSB Bank does not or shall not violate or conflict with any law applicable and governing the Client and/or any regulatory requirements, any provision of the Client's constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or terms of any contract binding on or affecting it or any of its assets. Provided that the Client shall intimate CSB Bank of any change in any regulatory requirements, the effect of which may be to restrict or prohibit the provision of the Facility.
- c) The Client shall be responsible for complying with all applicable laws and regulations (including guidelines issued by Reserve Bank of India from time to time) in connection with the Facility.
- d) The Client shall be solely responsible for any acts, errors, omission or fraud on the part of its employees or agents.
- e) The Client hereby irrevocably agrees to and consents that CSB Bank may disclose at any time and share with or in any manner make available to any agencies, bureaus, Affiliates, firms, associations, corporate bodies, banks, financial institutions and other persons any information about the Client where such disclosure is necessary under law or where there is a duty to the public to disclose such information or where the interest of CSB Bank requires such disclosure. Additionally, CSB Bank may disclose such personal and financial information about the Client that is in the public domain.
- f) The Client further agrees that in case the Client commits default in the repayment of any dues that may arise as a result of the Facility provided by CSB Bank or interest there on or any of the amounts that may be due to CSB Bank or any costs, charges and expenses incurred by CSB

Bank on the Client's account, CSB Bank and/or RBI and/or Credit Information Bureau (India) Ltd will have an unqualified right to disclose or publish the Client's name (including the name of the directors) as defaulter in such manner and through such medium as CSB Bank and/or the RBI and/or Credit Information Bureau (India) Ltd in their absolute discretion may think fit.

g) The Client agrees and undertakes to duly comply with its obligations in terms of the processes as detailed in Application Form for e-collections sent to CSB Bank, and to duly remit the payments for the Services rendered by CSB Bank.

h) The Client shall be solely responsible for completing the KYC requirements with respect to the Consumer(s) receiving funds through Electronic Fund Transfer.

i) The Client agrees and confirm to verify and check all the details provided by CSB Bank in the Management Information System ("MIS"), including but not limited to the Client Code and Unique Transaction Reference Number ("UTRN"). The Client confirms that CSB Bank shall not be liable or responsible for any discrepancy, error or duplicity in the MIS provided by CSB Bank or for duplicity of the UTRN mentioned in the MIS and that it shall in turn bring such matters to the notice of CSB Bank. The Client confirm that he shall be responsible for placing reliance on the MIS.

j) The Client agrees and confirms that they are availing this eCollection facility for their collection only (own money collection) and this functionality will not be used for facilitating third party collection and payment transactions using virtual identifier number architecture.

#### FORCE MAJEURE

CSB Bank's obligations contained herein will be subject to any occurrence resulting in prevention from or delay or interruption in performing its obligations if such prevention, delay or interruption is due to Force Majeure event, [which would include any event beyond the reasonable control of CSB Bank, including, without limitation, unavailability of any communication system, power failure, equipment of software malfunction, sabotage, fire, flood, explosion, acts of God, civil commotion, strikes or industrial action of any kind ( riots, insurrection, war or acts of government, pandemic, epidemic, changes in legislation and other allied acts of regulatory nature] then CSB Bank shall not be deemed to be in default so long as any such cause or the effect thereof persists (provided that this shall not prevent the accrual of interest on any outstanding amount which would have been payable but for this provision) and during a reasonable period thereafter within any such obligations capable of being fulfilled. CSB Bank shall not be liable for any action or claim, from any party, arising out of its inability to perform the obligations for the reasons stated herein.

#### COMMUNICATION

The Client agrees that CSB Bank may send information including data, statements and reports to the Client relating to the Facility via electronic mail to an address designated by the Client for that purpose in the Application. The Client recognizes that such information would be of a confidential nature and the information may be intercepted, read, modified or altered by any

person during such transmission. The Client agrees that CSB Bank shall not be liable for any inaccuracy, error, interruption, delay in, or omission of any data or information or the transmission or delivery of such data or information nor will CSB Bank be liable for any error, omission or delay in the services provided by any internet service provider or any third party service provider on whose performance CSB Bank is dependent for transmitting such information or data. CSB Bank shall not be liable for damages, whether direct or indirect, arising out of such transmission including but not limited to any breach of confidentiality, loss of privacy, loss of data, business interruption, delay in delivery or any pecuniary loss.

## CHARGES

The Client shall be liable to pay such fees and charges to CSB Bank as may be mutually agreed between the Parties for the Services. The Client shall be solely responsible for the payment of all central, state and local levies, direct/indirect taxes, duties fines, penalties and charges (including without limitation service tax, sales taxes, value added taxes, excise duties and customs duties, if any), by whatever name called, as may become due and payable in relation to the Facility. Failure to pay the charges/fees (including applicable taxes) on or before the specified date will render the Client liable for payment of interest at such rate as may be stipulated by CSB Bank. The Client hereby authorizes CSB Bank to charge the Account held with CSB Bank with any sum of money that is payable by the Client, if any, in connection with a transaction carried out by CSB Bank including bank charges for availing of such Facility.

## INDEMNITY

The Client agrees to indemnify, without delay or demur, CSB Bank and keep CSB Bank indemnified harmless at all times from and against any and all claims, damages, losses, costs, and expenses (including attorney's fees) which CSB Bank may suffer or incur, directly or indirectly, arising from or in connection with:

- Non-compliance with applicable laws or court or statutory order or any action by any statutory, administrative or regulatory body;
- Breach of these Terms and Conditions by the Client
- Any error, default, fraud, acts, omission, negligence or misconduct of the Client's employees or its agents.
- Any claim by any Consumer or a third party under these Terms and Conditions;
- Any inaccuracy, error or omission of any data, information or message including details of the

Consumers as provided by the Client or the transmission or delivery of any such data, information or message as provided by the Client,

- All indemnities given by the Client to the Bank shall survive the termination of the Facility.
- This facility is being used for facilitating third party collection and payment transactions using virtual identifier number architecture.

## LIMITATION OF LIABILITY

CSB Bank shall not be liable for any inaccuracy, error or delay in, or omission of (a) any data, information or message, or (b) the transmission or delivery of any such data, information or message; or (c) any loss or damage arising from or occasioned by any such inaccuracy, error, delay or omission, non-performance or interruption in any such data, information or message. Under no circumstances shall CSB Bank, its employees, directors, and its third party agents involved in processing, delivering or managing the Services, be liable for any direct, indirect, incidental, special or consequential damages, or any damages whatsoever, including punitive or exemplary (including, but not limited to, damages caused by any virus, personal injury, negligence, loss of profits, loss of data or other intangible information, business interruption, loss of privacy, or any pecuniary loss), arising out of or in any way connected with the provision of or any inadequacy or deficiency in the provision of Services or resulting from unauthorized access or alteration of transmissions or data or arising from suspension or termination of the Services or any inability of CSB Bank to receive instructions, directions, orders or other communications from the Client or to transmit any related message for any reason whatsoever, whether based on contract, tort, strict liability or otherwise.

## GOVERNING LAW

These Terms and Conditions is governed by and construed in accordance with the Indian law. Any legal action or proceedings arising out of these Terms and Conditions shall be brought in the courts or tribunals at Mumbai in India and the Client irrevocably submits to the non exclusive jurisdiction of such courts and tribunals. CSB Bank may, however, in its absolute discretion commence any legal action or proceedings arising out of these Terms and Conditions in any other court, tribunal or other appropriate forum, and the Client hereby consents to that jurisdiction.

## AMENDMENT

CSB Bank shall have the absolute discretion to amend or supplement any of the Terms and Conditions, features and benefits offered on the Services including, without limitation to, changes which affect charges or rates and methods of calculation at any time. CSB Bank may communicate the amended Terms by hosting the same on its website or in any other manner as decided by CSB Bank. The Client shall be responsible for regularly reviewing these Terms and Conditions including amendments thereto as may be posted on the website of CSB Bank and shall be deemed to have accepted the amended Terms and Conditions by continuing to use the Services.

## TERMINATION

The Client may discontinue or terminate use of the Facility hereunder by giving minimum 30 days prior written notice to CSB Bank. Provided that such termination shall not affect the Client's liability to fulfill and complete its obligations in connection with the Facility, including without limitation, payment of interest and services fees or charges, refunds to CSB Bank, etc. The termination of the Facility shall not affect any accrued rights and liabilities of the Client and CSB Bank. CSB Bank reserves the right to terminate or suspend the Facility, in whole or in part, forthwith, at any time without assigning any reason by notifying the Client either through its Website, email, fax or letter or other communication as it may deem fit. In the event that the

Facility remains unutilised for a period of 90 days at any time during the subsistence of the Facility, CSB Bank reserves the right to terminate or suspend the Facility without providing any prior notice. In case of a temporary withdrawal or suspension of the Facility, the privileges may be reinstated by CSB Bank at its sole discretion. Subject to statutory/regulatory compulsions, CSB Bank would endeavour to give reasonable notice before termination.

#### DISCLAIMER

CSB Bank shall use best efforts in providing Facility to the Clients. All arrangements are exclusive of intervening Bank Holidays and Sundays for clearing purposes i.e. on a working day basis only and the Client unconditionally agrees and understands that the credit to the Account would be made after considering the intervening bank holidays after deposit of Instrument. The entries in CSB Bank's books kept in the ordinary course of business of CSB Bank with regard to transactions covered under these Terms and Conditions and matters therein appearing shall be binding on the Client unless in the event of there being any patent mistake or error therein. CSB Bank shall not be liable for any non-compliance of any applicable rules and regulations by the Client in connection with the Facility. CSB Bank makes no express or implied warranty with respect to the Facility. CSB Bank makes no warranty that (i) the Facility will meet all the requirements of the Client; or (ii) the Facility will be uninterrupted or timely. The Client shall not hold CSB Bank responsible for any breakdown/interruption/delay/failure or any technical flaw in the Website, internet or the related services provided by internet service providers or other telecommunication service providers and or any consequent delay or failure in completion of any transaction.