

RFP FOR SELECTION OF AGGREGATORS FOR ON-BOARDING POINT OF SALE (POS) MERCHANTS THROUGH BIN SHARING MODEL
RFP REF: CO/DBD/POS/001/2024-25 DATED 12.11.2024

Annexure I – Clarification

| SI No | RFP Reference | Details provided in RFP | Query Raised | Bank's Reply |
|-------|---------------------------|---|--|---|
| 1 | Page no:32 Point no.8 | Aggregator will supply & install the PoS terminal at the merchant location. Bank will not bear any cost related to PoS terminal purchase/rent/supply/installation etc. | a) Will there be reinstallation or shifting of devices required? b) How many shifting would be required in a month? | a) Reinstallation or shifting will be based on merchant requirement. b) Shifting depends upon merchants on-boarded by the aggregator. |
| 2 | Page no:32 Point no.9 | Aggregator will collect PoS monthly rent/processing charge from the merchant. This income will be booked solely by the aggregator. Bank will not claim any income share from PoS monthly rent/processing charge. | It is suggested that the Bank collect the POS monthly rent/processing charges etc from the merchant and share the same with the Aggregator. In this way there would be no conflict with the merchants on billing issues. | Merchant PoS settlement account can be with any Bank. Collection of monthly rent/processing fee is solely bidder's responsibility. |
| 3 | Page no:32 Point no.10 | Aggregator will provide service to the merchant as per their agreement with merchant. However, complaints should not escalate to Bank/card association. As the merchant belongs to the aggregator, Bank will not intervene for any such complaint. However, aggregator should take utmost care in resolving the complaints as Bank's reputation will be stained for escalated complaints. | Will aggregator will strive to resolve all the merchant issues , banks must help the aggregator in resolving issues with the merchant as it involves financial transactions with the bank and billing may be affected. | Merchant will be with legal binding with Bidder. Bank has no role in merchant servicing. |
| 4 | Page no:32 Point no.13 | If the Bank suffers any reputational loss or damage solely attributed to the aggregator or merchant on-boarded by the aggregator or to both of them; the aggregator shall compensate the Bank for all the actual loss, cost or damage of any kind (including attorney fee) and keep the bank | It is understood that the Bank will evaluate the main reason for the loss and then take necessary action. It may turn out that the aggregator was never at fault. | Bank will evaluate the reason for the reputational loss and aggregator has to compensate for the damage solely attributed by the aggregator or merchant on-boarded by the aggregator or both of them. |



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| | | indemnified and hold harmless against all the claims arising in respect of any such reputational loss or damage. The Bank may terminate the Service Level Agreement if aggregator or merchant on boarded by the aggregator does anything or is involved in a situation that might have adverse effect on reputation of the Bank. | | |
| 5 | Page no:33 Point no.24 | Aggregator should allot one support executive for Bank to be available at Bank Head Office for necessary coordination with Bank personnel. The support executive should be available at Bank's Head Office from 10 AM to 6 PM on all working days. The time may vary in view of work exigency. In absence of the support executive, Bidder has to provide an alternative staff for Business continuity. The Bidder will also assign one Relationship Manager preferably from Senior Management scale to act as Single Point of Contact (SPOC) for the Bank. | a) What is the roll of one support executive at the head office of the Bank? b) Will there be a helpdesk support required? c) How many resources would be required for a helpdesk? | a) Support executive should be utilised to ensure Bank is receiving daily transaction/lead reports, incoming files, payment remittance confirmation, incoming files, periodic reports etc. b) Helpdesk support is not required for Bank. However, helpdesk is required for PoS merchant support for effective customer service. c) Helpdesk resource is required based on merchant on-boarded by aggregator. |
| 6 | Page no:26 Point no.9.2 | Necessary technical & legal compliance has to be dealt by the bidder as per Bank's requirement. | What specific technical and legal compliances are required by the aggregator from their partners (PoS switch/PoS terminal vendors)? | There is no such specific stipulated technical and legal compliance. As per the instruction received from regulating authorities; any compliance related to PoS terminal & PoS switch has to be accomplished by the bidder even though |



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| | | | | the responsibility may be outsourced. Bank will not follow up with bidder's sub-contracted entities. |
| 7 | Page no:31 Point no.5 | Merchant KYC has to be duly verified & validated by the aggregator. KYC documents have to be submitted to Bank by the aggregator for further verification. Bank may suggest for collection of any additional KYC documents. | What are the exact requirements for the Merchant KYC process? Which KYC documents shall be requested by the Bank? | Bidder should ensure the required KYC documents have been validated before supply of PoS terminals to merchants. It is to be noted that merchant on-boarding risk is underwritten by the bidder. |
| 8 | Page no:33 Point no.19 | After receipt of fund from card associations; Bank will remit the fund to aggregator's nodal/escrow account. Aggregator has to settle the net amount of the PoS merchant to their respective Bank account. Bank will not bear any expenditure due to the remittance/settlement process. | What is the timeline for fund remittance from the Bank to the aggregator's nodal/escrow account after receiving funds from card associations? | Net settlement amount received from Card Associations will be remitted to the bidder's account within next working day after due verification of incoming files. |
| 9 | Page no:31 | Bank has fixed a target to on-board at least 40,000 merchants with a monthly transaction amount of minimum Rs. 500 Crore within 1 year of going live. | What are the terms and conditions regarding the targets not being met or underperformance? Are there any penalties for underperformance? | Bank will recover the expenditure borne by Bank for procurement of BINs and charges paid to card association, from the bidder for under/non-performance. |
| 10 | Page no:22 Point no.5 | Commercial bid | How will the initial bid price be determined? | The starting bid price of the Forward Auction will be "the price decided by Bank" or "the highest of indicative commercial bids submitted by the technically qualified bidders" whichever is higher. The bidder quoting highest price (H1) will be selected for the aggregator service. |



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| 11 | Page no:65 | Price Schedule | Is the gross total amount included as Rs. 18,000 cr. A minimum amount a bidder has to commit? | Bank expects an experienced bidder to participate in the RFP who can process at least Rs. 500 Crore every month through our Bank BIN. However, Bank is not imposing any commitment to the bidder. |
| 12 | Page no:25 Point no.7 | General Qualification Criteria to be added | Bidder should have their own field force (minimum of 100 resources) to augment business for Indian Bank under the proposed model. | Bank will not evaluate Bidder field resource staff strength. |
| 13 | Page no:31 Point no.3 | Aggregator will source merchants from open market. The merchants may have their settlement account in any Bank (not restricted to Indian Bank). Bank may share some leads to the aggregator for PoS installation but it is under complete jurisdiction & authority of the Bank to share the leads. Aggregator should not depend on Bank for lead generation. | If the bidder opens Indian Bank CA while installing the POS under aggregation model will the Bank provide incentive to bidder for account opening. | Bank will discuss with the selected bidders, about the T&C for providing incentive for opening of Current Account, mutually agreed and approved by Bank's Competent Authority. |
| 14 | | | Need more clarity on how the leads are going to be shared between the existing and new vendor. | Bank's existing PoS vendors will receive leads from Bank branches as per the current process. Selected bidder will source merchants through their marketing/sales department & field functionaries. On case to case basis Bank may share some leads to the aggregator but aggregator should not depend solely on Bank for lead generation. |
| 15 | Page no:33 | Bank's Responsibility | UPI Certification to be added to Bank's responsibility | PoS terminals can accept Card & QR. For QR implementation; bidder has to complete the API integration with Bank's UPI service provider. |



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| 16 | Page no:34 Point no.3 | The revenue sharing percentage (in bps) finalised in the Forward Auction process will be deducted from daily settlement amount before remittance to the aggregators' Bank account. This process can be changed to weekly/monthly basis based on the transaction statistics as per the sole discretion of Bank. | The deduction of revenue share to be done on a invoicing mode on a monthly basis to avoid recon issues at merchant / bidder level. | Revenue sharing will be done through invoicing mode only. |

