

## India Country Conditions

The following terms amend and/or supplement the Relationship Documents which shall apply to the provision of Services by the Bank to the Customer in India only (**'India Country Conditions'**).

### 1. Deposit Accounts

#### 1.1. Term Deposit

A Term Deposit is a deposit for a fixed period with a minimum deposit period of 7 (Seven) days and up to 5 (Five) years (or any other period as agreed with us from time to time) (**'Term Deposit'**).

Term Deposits are available in India Rupees (INR) only.

The minimum deposit is ₹10,000 (India Rupees Ten Thousand).

All placement, renewals and withdrawals of Term Deposits are accepted subject to the business days and hours set by the Bank from time to time.

- For a Cumulative Term Deposit, interest is compounded quarterly and paid together with the principal at the end of the term
- For an Ordinary Term Deposit, the interest is calculated and transferred to the current account on a quarterly basis

#### **Non-callable Deposits** (i.e., deposits without premature withdrawal facility)

The Bank shall offer Term Deposits that do not have a premature withdrawal option, provided that the amount of a single deposit is above ₹3 (Three) crores, with a minimum deposit period of 60 (Sixty) days and up to 5 (Five) years (**'Non-callable Deposits'**).

Premature withdrawal will not be allowed for Non-callable Deposits. However, the Bank may allow premature withdrawal of these deposits in the exceptional circumstances such as in the event of any direction from any judiciary, statutory and/ or regulatory authorities or in case of erroneous placement of deposits by the Bank, among others. Premature withdrawal to such deposit will attract premature penalty. The premature penalty for Non-callable Deposits will be equal to the tenor rate (rate for the period deposit remained with the bank) of the deposit with an upper cap to the amount of interest accrued or paid on the deposit. Any interest credited or paid (including TDS payment) till the date of such premature closure may be recovered from the deposit maturity proceeds. Non-callable Deposits will not be allowed to be pledged as security or under lien, except in exceptional cases such as in the event of any direction from any judiciary/statutory and/or regulatory authorities.

Auto-renewal option will not be available for Non-callable Deposits.

#### **Cluster Deposits**

Cluster Deposits are Term Deposits created from a nominated current account, where there is a credit position above a threshold limit defined in the account (**'Cluster Deposits'**). The placement of deposits is automatically based on the end of day account position.

Term Deposits placed as Cluster Deposits will be automatically withdrawn before maturity, to honour payments made from the current account after the credit balance (or approved overdraft limit) of that account has been used. The last deposit placed is broken first for meeting such payment requirements.

If, prior to maturity, the aggregate amount within any single Term Deposit advice falls below the applicable threshold (as prescribed by us from time to time), then the Term Deposits will automatically be withdrawn and the funds returned to the nominated current account.

#### 1.2 Interest

For both Cumulative and Ordinary Term Deposits, interest is calculated using the prescribed rate at the time of placement of deposit. If interest is calculated by reference to the Mumbai Interbank Offer Rate (MIBOR), the interest rate will be reset daily based on the last available overnight MIBOR. If interest is calculated by reference to other external benchmark rates (example Treasury Bill (T-Bill)), the interest rate will be calculated basis the spread applicable based on the last available T-Bill rate on date on deposit placement. The rate of interest payable is subject to the guidelines/directives that may be issued by the Reserve Bank of India (RBI) from time to time or as determined by the Bank from time to time in accordance with the Bank's policies and as per the RBI guidelines/directives.

For Cumulative Term Deposits, interest is compounded quarterly on a basis of 28-31/365 (depending on the number of days in the months comprising that quarter).

For Ordinary Term Deposits with a period of less than 3 (Three) months or where there is an incomplete quarter

prior to maturity, interest is calculated proportionately for the actual number of days in the incomplete quarter reckoning the year at 365 days (including if the year is a leap year).

External Benchmark Rates like MIBOR, T-Bill are external market rates and the Bank has no control over the movement of these rates. These rates may change on a daily basis and may show volatility subject to external market factors. Accordingly, the interest rates are subject to change without any prior notice. In the event the External Benchmark Rates (MIBOR, T-Bill) falls below the agreed spread, the Bank will not pay any interest in such events.

### 1.3 Maturity

Instructions regarding disposal of funds at maturity must be communicated effectively to the Bank at least 1 (one) business day prior to the date of maturity. If no maturity disposal instructions are received by the due date, the Term Deposit will be renewed automatically for the same duration (except for Non-callable Deposits).

The interest rate applied for any renewal term will be the rate prevailing at the time of such renewal as the Bank at its sole discretion decides.

In case of Cumulative Term Deposits, the accumulated interest will be added to the principal and renewed along with the principal, subject to extant regulations in this regard.

Renewal of Term Deposit is subject to updated Customer KYC held with the Bank.

In line with regulatory guidelines, at the time of maturity, if a Term Deposit is under hold or frozen. i.e., there is a restriction on its use by an Authority, it will be renewed for the same period for which the Term Deposit was last placed or renewed and at the prevailing rate of interest as on the date of renewal.

### 1.4 Early Withdrawal

If a Term Deposit (or any part of it) is withdrawn before the end of the applicable fixed period, the interest paid will as per below:

#### **For Term Deposit below ₹1 Crore**

At the request of the Customer, the Bank shall allow a premature withdrawal of the Term Deposit before the due date, subject to the following:

- Where the rate of interest on date of placement of Term Deposit for the period for which the Term Deposit remained with the Bank (Tenor Rate) is higher than the contractual rate of deposit (Contracted Rate), the premature penalty will be 1%, plus the difference between the Tenor Rate and Contracted Rate
- Where the rate of interest on date of placement of Term Deposit for the period for which the Term Deposit remained with the Bank (Tenor Rate) is lesser than or equal to the contractual rate of deposit (Contracted Rate), the premature penalty will be 1%
- No interest will be payable in case of withdrawal of the Term Deposit prior to the minimum deposit tenure offered by the Bank

#### **For Term Deposit of ₹1 Crore or above**

At the request of the Customer, the Bank may, at its discretion, allow a premature withdrawal of the Term Deposit before the due date subject to the following:

- Where the rate of interest on date of placement of Term Deposit for the period for which the Term Deposit remained with the Bank (Tenor Rate) is higher than the contractual rate of Term Deposit (Contracted Rate), the premature penalty will be 1% plus the difference between the Tenor Rate and Contracted Rate
- Where the rate of interest on date of placement of Term Deposit for the period for which the Term Deposit remained with the Bank (Tenor Rate) is lesser than or equal to the contractual rate of deposit (Contracted Rate), the premature penalty will be 1%

No interest will be payable in case of withdrawal of the Term Deposit prior to the minimum deposit tenure offered by the Bank.

### 1.5 Interest on overdue domestic deposits:

If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the Bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

### 1.6 Tax

Tax Deducted at Source (TDS), when due and applicable, will be deducted in accordance with the provisions of the Income-Tax Act, 1961 (as amended from time to time) (IT Act) and the Rules thereunder. For 'Resident' payees, TDS at appropriate rates will be deducted where the aggregate of the interest on such deposit(s) credited during a financial year exceeds the maximum amount prescribed by the IT Act. Such TDS shall be

recovered from the Account(s) nominated by the Customer, on periodic intervals as per interest payments (including financial year end). In case there is no nominated account, the Bank would recover TDS amounts from the maturity proceeds, the encashment proceeds (in case of premature withdrawal) or from the accrued interest of the Term Deposit.

As per the provisions of the IT Act, taxes will be withheld at a higher rate, if Permanent Account Number (PAN) is not provided or PAN provided is incorrect or PAN is inoperative due to non-linking of the PAN with Aadhaar. This provision will apply even if the Customer submits Form 15G/15H. PAN is required to be provided even in cases where Form 15G/15H is submitted. Please refer to the FAQ section on our website [www.hsbc.co.in](http://www.hsbc.co.in) for further details.

Further, as per provisions of the IT Act, if the Customer is a 'specified person' i.e., Customer has not filed its return of income for the preceding financial year, tax will be withheld at a higher rate as specified in the provisions.

## **1.7 External Commercial Borrowing**

Unless the Customer intimates the Bank that the source of a Term Deposit is from an External Commercial Borrowing loan (ECB- as defined in regulations issued by the RBI), the Bank will not consider this aspect. If the source of Term Deposit is from an ECB, the Customer must declare that the total duration for which these funds have been placed in Term Deposit is as per the applicable RBI regulations.

## **2. Current Accounts**

Opening of Current Accounts or Overdraft (OD) Accounts is also subject to the provisions contained in RBI circular 'Opening of Current Accounts by Banks - Need for Discipline' dated 6 August 2020 as amended from time to time and other related circulars. The Customer undertakes to inform the Bank immediately in case of material changes in total exposure or where new cash credit (CC)/ overdraft (OD) facilities are sanctioned from the banking system and in accordance with the aforementioned RBI circular.

## **3. Liability**

With respect to the Bank's liability under the Relationship Documents, the provisions set out in the Master Services Agreement shall govern unless they conflict with any applicable Law, in which case the relevant liability will be determined as required by such Law.

## **4. Declaration**

Customer declares that it would ensure that all payments which would be for crediting the Non-Resident External – NRE account of the beneficiaries shall be in strict conformity and compliance with the provisions of the extant Foreign Exchange Management Act, 1999 regulations/rules and wire transfer guidelines as amended from time to time.

## **5. Bank's Right of Lien**

The Bank shall have the right to lien, irrespective of any other lien or charge, including all present as well as future on the deposits of any kind and nature (including fixed deposits) held/balances lying in any accounts of the Customer, and on any monies and securities held by/under the control of the Bank to the extent of all outstanding dues.

## **6. Notice**

In addition to modes of notice contained in the Terms, the Bank reserves the right to notify the Customer of any changes in the Relationship Documents by publishing them on its website.

## **7. Cash Management Country Conditions**

The following are the product specific terms which amend and/or supplement the applicable Relationship Documents entered into between the Bank and the Customer, and which shall apply to the provision of Services by the Bank to the Customer in India only –

### **A. E-Payment of Statutory Taxes Facility** Customer acknowledges that,

- the Bank will provide E-Payment of Statutory Taxes Facility to the Customer through an authorised bank and only at locations covered by them.
- by giving access to the Bank in relation to Customer's profile on government websites, Customer's confidential information may be known to the Bank.
- their login ID and password shall remain functional at all times to enable the Bank to make timely payment.

### **Application Programming Interface based E-Tax Payments**

If the Customer wishes to avail the API based E-Tax Payments service, the Customer understands and acknowledges that:

- a. The Bank will provide API based E-Tax Payments service to the Customer through a technology partner (in the nature of technology related, cloud-based, software as a service provider, enabling technology platforms services to customers in India) subject to Customer accepting the technology partner's terms and conditions.

- b. In order to provide the Services, the Bank may need to collect, store, process or share data (including but not limited to account number, transactions details, etc.) related to the Customer with the technology partner. Such information will be shared by the Customer either during the set up process or during the course of utilising the Services and the Customer hereby authorizes the Bank to share, use, store, process such data with the technology partner.

#### **B. Automated Clearing House (ACH) Debit**

In accordance with the National Payments Corporation of India (NPCI) guidelines:

'ACH Mandate' is a form to be filled by Payor (who initiates the payment) for subscribing to ACH Debit facility capturing details like (to name a few) Payor's account amount, frequency.

Customer agrees to maintain the original copies of ACH Mandates (including historic mandates registered vide their erstwhile sponsor banks) in their custody and produce them when required by the Bank or any regulatory/ local authority. However, if the originals are retained with the Bank, the Customer shall ensure they are shared with the Bank as per the procedure laid down from time to time.

#### **C. Utility Bill Payment**

The Customer agrees that the Bank is not the owner or operator of the portal required for provision of utility bill payments services and it is its sole responsibility to assess and determine for itself the suitability of the portal for such services.

#### **D. Unified Payments Interface (UPI)**

Unified Payments Interface (UPI) is a payments mechanism provided by NPCI. This arrangement will enable the Customer to send or receive funds through UPI where transactions are either initiated on the Customer Platform or by the Payor for payment to the Customer.

### **GENERAL DEFINITIONS**

NPCI (National Payments Corporation of India) - NPCI is the central body for providing UPI based payments and settlements. Guidelines on UPI will be set by NPCI from time to time which the Payee Bank, Payer Bank, Customer, Payment Service Providers (PSPs) and the Payer must adhere with.

Beneficiary Bank – This is the Bank where the account of the beneficiary is held. This bank may be different from the beneficiary PSP.

Beneficiary – Beneficiary is the recipient of funds.

Business Solution Provider – An entity specialised in providing WhatsApp messaging services and related technology solutions.

Ally Partner – An entity specialised in providing IVR technology based offline collections and related solutions.

Payor – Refers to remitter initiating payment(s) into the relevant Account by debiting its account or from whom the Customer has receivables.

Customer Platform – Shall mean the website, mobile application and/or any other infrastructure with the domain or application name of the Customer or its Service Provider and managed by the Customer or its Service Provider for sale of its goods and/or services and for the purposes of enabling the Payor and Customers to carry out transactions. It may also include Customer's retail stores where such UPI transactions are initiated on the Electronic Data Capture (EDC)/Point of Sale (POS) Terminal.

Service Provider – Any third party who is engaged by the Customer to provide a service in relation to, including but not limited for enabling its UPI service or building or managing a platform or providing any front or other back office support in relation to UPI.

#### **Terms for Customer**

The Customer agrees and confirms that the Bank, its officers, agents, directors or employees shall not be liable to the Customer for any loss or damage caused or arising, including without limitation due to, loss of data, any virus, coding or other error, inaccuracy or any other destructive features in the UPI facility or Bank's software application; sharing of Customer information; interruption or non-availability of the Customer's access to and/or use of the payment gateway services.

The Customer shall comply with any applicable law relating to the provision of the UPI services or transmission of data/information through the UPI software application and ensure there is no breach of security of the Customer Platform, the Bank UPI software application. Customer shall ensure the link between the Bank and the Customer is maintained at all times during the provision of UPI services.

In case the Customer wants to avail the Whatsapp UPI Collections or UPI123 Proposition, the Bank will only be responsible for introducing the Customer to the Business Solution Provider or Ally Partner respectively.

The said service will be subject to their applicable terms and conditions, and it is the sole responsibility of the Customer to assess and determine for itself its suitability. The commercial arrangement and integration will be

directly between the Customer and the Business Solution Provider or the Ally Partner.

The Ally Partner will be responsible for the creation of voice journey for collections via IVR mode, IVR no. and merchant code and other setup related to UPI123. The Bank will only create the UPI Handle for the Customer to which the collections should be routed.

Additionally, at the Customer's request, the Bank may extend the 'UPI sound box' services, wherein the transaction details vide applicable usage API's shall be relayed directly to the Ally partner's URL. The Ally Partner will then consume the information and relay the relevant transaction details over the sound box. By availing of the UPI sound box service, the Customer explicitly consents to the Bank to share the transaction information with the Ally partner for onward relaying to the mapped sound box. This consent allows Ally partner to consume any mis/ reports and initiate transaction status inquiry through the usage of applicable API's provided by the Bank from time to time. The Customer hereby also confirms that neither the Bank nor any other member', group entities of the Bank shall be obligated to review the correctness and validity of the information consumed and or relayed over the soundbox request by the Ally partner including but not limited to the usage of specific reports or API requests consumed or submitted by the Ally partner on behalf of the Customer.

### **UPI – Unified Payments Interface: Numeric UPI ID Mapper Services**

**Definition:** Numeric UPI ID Mapper is a service offered by NPCI whereby the merchant through their acquiring bank can obtain the VPA details available under the NPCI Numeric UPI ID mapper database.

The Customer acknowledges and accepts that they will use the Numeric UPI ID Mapper Services as per the procedure defined by the Bank from time to time. The Customer also understands that the Bank has extended this Service whereby the requisite information i.e. Beneficiary VPA, Name, IFSC, , CMID etc. shall be made available to the Customer from NPCI's Numeric UPI ID database through the usage of applicable API's defined by NPCI in line with NPCI's Central Mapper offering. The Customer shall ensure that information they receive from the Bank through NPCI's database is accurate before raising any collect or payment request through the Banks UPI offering.

### **E. GET RATE**

Get Rate provides the functionality to view and book foreign exchange rates and execute your foreign currency transactions when the exchange rate is favorable by transmitting Instructions, along with supporting documentation through channels. Any foreign exchange Loss arising out of payment cancellation including but not limited due to insufficient funds, inadequate supporting documents would be to the account of the Customer and the Bank is authorised to debit the same from the Account of the Customer held with the Bank.

### **F. Dividend Payout/Disbursement Service**

At the request of the Customer and in line with applicable Law, the Bank will facilitate to open a designated Account for the Customer to initiate dividend payouts ('Dividend Account') from time to time.

The Bank shall provide the dividend payout service for bulk disbursement(s) through various instruments such as electronic modes, like National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) and National Automated Clearing House (NACH), Foreign Currency remittances or paper instruments like Warrants, Pay Orders, Demand Drafts on behalf of the Customer, based on terms and conditions laid out herein and in the product guide.

The Customer will fund the Dividend Account with the Bank for the total value of all the payouts to be issued within five (5) working days from the date of declaration of dividend.

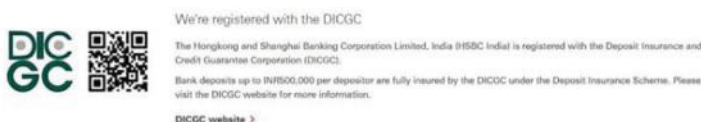
The payment of instruments would be made based upon receipt of Instructions from the Customer and in compliance with applicable Laws in this regard.

The Bank reserves the right to return the paper instruments unpaid if their details are not provided in the master list supplied by the Customer or its Registrars.

Customer agrees to produce the discharged Warrants/cheques/Instruments when required by the Bank, Statutory Authority, Courts or any tribunals, etc after the same are being handed over to the Customer.

### **Reference Documents:**

Account Disclosures and Product guide are available here – <https://www.business.hsbc.co.in/en-gb/in/generic/download-center>



Link to DICGC website - <https://www.dicgc.org.in/>