

ANNEXURE I

TENDER FORM FOR REPO AUCTION

The Chief General Manager
Internal Debt Management Cell
Reserve Bank of India
Mumbai.

Tender's RC S.G.L. A/c.
No. with Securities. _____
Department

Tenderer's Current
A/c. No. with D.A.D. _____

Dear Sir,

**Tender for Repurchase Agreements
(Repos) Auction to be held on _____
by Reserve Bank of India**

I/We* the undersigned hereby submit tender as set out below for the purchase of Government of India dated securities/eligible treasury bills from you on _____ with the undertaking that the same securities will be sold back to you on _____.

1.	Name of the tenderer & Address	
2.	Amount bid*	Rs. _____ crore
3.	Repo Rate per cent per annum (up to two decimal points rounded off to the nearest 5 basis points)	
4.	Telephone No.	
5.	Fax No.	

*Indicates the nominal amount offered in repo against securities.

Undertaking

On your acceptance of my/our* tender,

1. I/we* agree and undertake to immediately collect the Acceptance-cum-Deal confirmation advice from your office and to deposit the requisite amount at Reserve Bank of India, Mumbai in the manner and on the day/time indicated therein.
2. I/we* also authorise the Reserve Bank of India to be our custodian, to hold the securities purchased by us from Reserve Bank of India under the repos, and to

transfer them by debiting/crediting my/our Current Account and Repo Constituents' Accounts based on our application/bid form.

3. I/we* agree the beneficial interest, viz., Coupon, if any, in respect of securities transferred by Reserve Bank of India to us and held in the Repo Constituents' SGL Account will rest with Reserve Bank of India.
4. I/We agree that the Reserve Bank of India shall not be held responsible for any loss, damage or liability on account of acting as the Custodian of our securities. I/We also agree that I/We shall indemnify and keep indemnified the Reserve Bank of India at all times against any loss, damage or liability whatsoever arising out of acting as Custodian of our securities as above.
5. I/We have also submitted another bid(s)/not submitted any other bids* for the auction.

Terms and conditions

I/We* have read the terms and conditions for the auction and undertake to abide by them.

Yours faithfully,

i) Signature of official authorised
to operate on SGL/Current Account

ii) Name

iii) Designation

iv) Office stamp of the tenderer

*: Strike out whichever is not applicable.

TERMS AND CONDITIONS FOR REPO AUCTIONS

1. Auctions for repo on “uniform price” basis will be conducted by Reserve Bank of India at Mumbai on all working days except Saturdays.
2. All transferable Government of India dated securities and treasury bills (except 14-day treasury bills) will be the eligible securities for repo auctions.
3. Bids will be received for a minimum amount of Rs.10 crore and in multiples of Rs.5 crore.
4. All scheduled commercial banks (excluding RRBs) and Primary Dealers (PDs) maintaining SGL and current accounts with RBI at Mumbai will be eligible to participate in the repo auctions.
5. Bids should be submitted in the prescribed form on the date of auction in sealed covers indicating “Repo Auction” on the top of the envelope addressed to the Chief General Manager, Internal Debt Management Cell, 16th Floor, Reserve Bank of India, Central Office, Mumbai-400 001 and deposited in the box kept at the reception on the Ground Floor of the Central Office building, RBI, for the purpose, before 11.a.m.
6. Single or Multiple bids at different rates are permissible; separate tender form should be submitted for each bid.
7. The Repo rate in per cent per annum expected by the tenderer should be expressed up to two decimal points rounded off to the nearest 5 basis points.
8. The repo will be conducted as ‘Hold-in-Custody’ type of repo. A constituents’ SGL Account called “Repo Constituents’ SGL Account” will be opened with Reserve Bank of India as a custodial account. Securities will be held by RBI on behalf of the participants in this account in all repo operations. RBI would hold Government Securities sold by the Bank under Repo in the constituents’ account (Repo Constituents’ SGL Account) on behalf of the counter parties during the repo period.
9. For the purpose of Hold-in-Custody repos, the applicants will have to authorise RBI to transfer securities to/from custodial accounts by crediting /debiting their accounts based on their application/bid form. They will also have to authorise RBI, to provide for cash flow adjustments and for transferring coupons to RBI. All banks/PDs will have to authorise the RBI to accordingly credit/debit their current accounts and Repo Constituents’ SGL Accounts as the case may be. Accrued interest on the security will be ignored for the pricing of the security. Coupon, if any, will be transferred to the RBI in the case of Repos.

10. On the basis of the tenders received, RBI will determine the cut off rate up to which bids will be accepted.
11. There will be margins for the Government of India dated securities and eligible treasury bills and the amount of securities to be offered or tendered on acceptance of a bid for Rs.100 will be Rs.105.00 in terms of Face Value.
12. The successful tenderer's Current Account with RBI will be debited as per the current procedure under repo facility. The tenderer's Repo Constituents' SGL Account will be credited simultaneously. On the expiry of the repo period, the tenderer's Constituent SGL Account will be debited and Current Account credited as per the date, amount and rate of interest indicated as the case may be. For instance, in a repo auction where bid amount accepted is Rs.420 crore at a cut off rate of 6.25 per cent the calculations of amount of cash outflow in the first leg and amount of cash inflow in the second leg (with interest) will be as under.

Leg 1: Tenderer's Current Account	Dr. Rs. 420 Cr.
Tenderer's RC SGL Account	Cr. Rs. 441 Cr = (Amt.of bid x 105) /100.
Leg 2: Tenderer's RC SGL Account	
Tenderer's Current Account	Dr. Rs. 441 Cr
	Cr. Rs 420.07,19,178 = (Amt. of bid + interest for 1 day at 6.25%)
13. Securities held by Reserve Bank of India on behalf of banks in the Repo Constituents' SGL Account will be counted for SLR purposes. As a custodian of securities, the Securities Department of the Reserve Bank of India will issue SGL balance certificates, which would give details on total holdings of bank and total loan-wise securities held in the Repo Constituents' SGL Account as on any date.
14. The settlement of transactions in the auction will take place on the same day of the auction. But for the intervening holidays, the repo auctions will be for one day except on Fridays when the auction will be for three days or more, maturing on the following working day.
15. The results of the auction will be announced through the Press Relations Division by 1.00 p.m. and the same would also be displayed at Mumbai Office, RBI, Main Building, Fort, Mumbai 400001.
16. Tenderer should check for himself/herself the result of the auction and if successful, collect the acceptance cum deal confirmation advice from Securities Department, RBI, Fort, Mumbai 400001 before 2.30 p.m.
17. It will be binding on the successful bidders in the auction to accept the allotted amount of securities in full at the rate emerging in the auction. If the successful bidders do not honour the allotment, they will be subject to penal action to the extent of debarring from participating in the auctions for a period of one year.

18. The Reserve Bank reserves the right to accept or reject any or all the tenders wholly or partially, if deemed fit, without assigning any reason.
19. Reserve Bank of India shall not be held responsible for any loss, damage or liability on account of acting as the Custodian on behalf of the participants.