

ANNEXURE-4

Form of Agreement to be obtained from the RTGS member Type 'A' & 'B'

(To be stamped as an agreement in accordance with the Stamp Act in force)

Grant of Intra-Day Liquidity Support – Section 17(8) of the
Reserve Bank of India Act, 1934

We, incorporated / constituted under the and having registered office at..... undertake in favour of the Reserve Bank of India (hereinafter referred to as the “Bank”) as under.

Whereas we have been granted RTGS Membership Type “A”/ “B”.

AND whereas we have undertaken to comply with the RTGS (Membership) Regulations, 2004 and RTGS (Membership) Business Operating Guidelines, 2004 as amended from time to time and also such circulars, orders, Notifications, instructions, press releases, etc. as may be issued by the Bank in this behalf hereinafter collectively referred to as “the Regulations”.

AND whereas the Bank is agreeable to grant us Intra-Day Liquidity Facility under Section 17(8) of the Reserve Bank of India Act, 1934 at its discretion from time to time for facilitating settlement of RTGS transactions.

AND whereas we have agreed to repay or reverse the said transactions, before the end of the RTGS business day, as specified in the Regulations or on demand by you

In consideration of the Bank having agreed to grant the Intra Day Liquidity (hereinafter referred to as IDL) facility to us as aforesaid, we unconditionally and irrevocably undertake and agree as follows.

1. We shall avail of the IDL facility from the Bank within the limit sanctioned to us by the Bank only for the purpose of settlement of the RTGS transactions and subject to the terms and conditions stipulated by the Bank in this regard.
2. The outstanding balances of the IDL at any point of time during the RTGS business day will automatically be reversed by the RTGS system operated and maintained by the Bank using the funds in our RTGS Settlement Account. Such IDL reversal transactions shall have the second highest priority in the use of the above said funds, next only to the Bank initiated transactions.
3. The outstanding balances, if any, arising out of the IDL transactions shall be repayable by us before the end of the RTGS business day or on demand by the Bank.
4. The transaction costs or charges due on each of the IDL transactions entered into by us, at such rate and on such terms and conditions as may be decided by the Bank from time to time, shall be paid by us.
5. The Bank may debit our current account/s maintained with its Mumbai Office or any of its other offices/branches, for the amount due on account of our IDL transactions including costs and charges payable by us.

6. The balances outstanding in the RTGS Settlement Account in respect of IDL transactions shall be distinct and separate from the loans, if any, granted to us for other purposes under any other provision / Section of the RBI Act.
7. In case we need IDL facility on any RTGS business day, we undertake to transfer and deliver to the Bank at the beginning of that RTGS business day, adequate Government of India dated securities or treasury bills or such eligible securities as notified by the Bank which may be held by it till the end of that RTGS business day and transferred and delivered back to us at the end of that day subject to the terms and conditions hereinafter mentioned.
8. The securities transferred and delivered to the Bank at the beginning of any RTGS business day may not be transferred back and delivered to us till the repayment to the Bank by us of the following:
 - a) All moneys which become due and owing from us to the Bank in respect of the IDL support provided to us
 - b) Transaction costs on the aforesaid IDL transactions at the rate specified by the Bank for the purpose;
 - c) All expenses which may be incurred by the Bank in selling or attempting to sell the above-said securities or any part thereof;
 - d) All other costs, charges and expenses, if any, which the Bank may be entitled under law to recover from us in connection with and / or in matters related to the above-said securities for IDL support from the Bank.
9. We further agree to maintain with the Bank, such margin or margins as it may, from time to time and with respect to each class of securities prescribe, so that the market value of such securities less the stipulated margin, shall not be less than the total amount due to the Bank towards the IDL provided, charges and costs in respect of the aforesaid transactions. If there should, at any time, be a shortfall in the margin stipulated by the Bank, we shall forthwith, on demand by the Bank, transfer and deliver to it such further securities as are necessary to cover the shortfall or reduce the balance due to it by payment so as to make good the amount of margin required to be maintained by us with the Bank.
10. The securities to be transferred and delivered to the Bank shall be free from any prior charge or encumbrance.
11. In default of payment by us of any sums payable by us to the Bank in respect of the IDL transactions entered into with us in pursuance hereof and any penalties, which the Bank may impose on us for violation of any terms or conditions, laid down by it in respect of the said IDL transactions, we agree that the Bank may, without any obligation on its part so to do, debit our current account/s with it for the amount due on account of the IDL support granted by it. We also agree and undertake to comply with any other pecuniary or non-pecuniary penalties, which the Bank may choose to impose on us for defaulting in complying with any terms and conditions in connection with the said intra-day liquidity support, which the Bank may stipulate from time to time. In case of any default in Cash Reserve Ratio (CRR) on account of the above transactions, the default shall be governed by the provisions of law for the time being in force or any other relevant circulars/notifications issued by the Bank in that regard..
12. If the amount of the said IDL support, charges and costs, could not be paid to the Bank on demand or if we, at any time on demand, fail to restore the above stipulated margin, it shall be lawful for the Bank forthwith or at any time thereafter to sell all or any of the said securities, without further notice and to apply the net proceeds of such sale in satisfaction so far as the same will extend towards the liquidation of the amount due hereunder and we agree to accept the Bank's account of such sale as sufficient proof of

the correctness of the amount realized by it and the charges and expenses in connection with, such sale. If the net sum, so realized, should be insufficient to cover the full amount due hereunder, we agree to pay to the Bank forthwith, on the delivery of an advice from it, the amount of shortfall in this regard. In case of any default in Statutory Liquidity Ratio (SLR) on account of the above transactions, the default shall be governed by the provisions of law for the time being in force or any other relevant circulars/notifications issued by the Bank in that regard.

13. We further agree and undertake that we shall ensure that the total amount(s) outstanding under IDL transactions shall not exceed the stipulated limit for IDL support sanctioned to us from time to time.
14. We further agree that we will, from time to time, without demur and whenever required by the Bank, furnish such information regarding the securities and about the usage of the intra-day liquidity facility availed of from the Bank by us, as it may require us to furnish.
15. We further unconditionally agree to execute on demand such other documents, as may be required by the Bank for the above purposes.
16. We further agree and undertake to comply with the stipulations specified by the Bank in respect of the mechanism by which the securities shall be transferred and delivered to it and the mechanism by which the said securities shall be held by it and / or transferred and delivered to us by it.
17. Our signatory/ies, as under, have the requisite power of attorney (copy enclosed), issued by the relevant and competent authority in our institution/organization to execute such agreements binding our organization/institution thereto.

For and on behalf of the.....

(Name of the RTGS Member)
(Signatures of authorized officers with names
and designations)