

**Format Of Bank Guarantee For Security Deposit  
(With Separate Claim Period)**

**Enclosed Bank Guarantee should be stamped as under**

Non-Judicial stamp paper of Rs. 100/- or the value prevailing in the State where executed, whichever is higher.

The following is required to be typed on the Stamp Paper as the First Page and duly signed :

This Non-Judicial Stamp paper of Rs. \_\_\_\_\_ forms part and parcel of this Bank Guarantee number \_\_\_\_\_ dated \_\_\_\_\_ issued in favour of Stock Holding Corporation of India Limited by us for M/s \_\_\_\_\_.

**FOR** \_\_\_\_\_ **(BANK)**

\_\_\_\_\_ **(BRANCH)**

**AUTHORIZED SIGNATORIES**

**SEAL OF THE BANK**

**Note:**

- i. The enclosed printed format is required to be used
- ii. No relevant portion is left blank
- iii. All handwritten corrections and blanks are attested by the bank by affixing the bank seal/stamp along with the signature of at least one authorised signatory.
- iv. All irrelevant portions struck off on the printed format should also be authenticated by the bank by affixing the bank seal/stamp alongwith the signature of at least one authorised signatory.
- v. Each page of the bank guarantee should bear the bank guarantee number and should be signed by at least one authorised signatory of the bank.
- vi. The trading member should also ensure that the bank guarantee is free from any discrepancy before the same is submitted to SHCIL.
- vii. In case the bank guarantee does not strictly conform to the above-mentioned conditions, the same shall not be accepted by SHCIL and benefit towards initial margin shall be made available only upon the bank guarantee being strictly in conformity with the prescribed requirements.

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**GUARANTEE**

This guarantee is issued by \_\_\_\_\_  
(bank), a body corporate constituted under the \_\_\_\_\_  
\_\_\_\_\_ Act 19\_\_\_\_, having its Head Office at \_\_\_\_\_  
\_\_\_\_\_ (hereinafter referred to as the  
"Bank" which term shall wherever the context so permits, includes its successors  
and assigns) in favour of **STOCK HOLDING CORPORATION OF INDIA  
LIMITED**, a company established under the Companies Act, 1956 and having its  
Registered Office at Mittal Court, 'B' Wing, 2nd Floor, Nariman Point, Mumbai -  
400 021 (hereinafter referred to as "SHCIL" which expression shall include its  
successors and assigns),

1. SHCIL has been admitted as a Clearing Member for clearing and settlement of trades in the ***Futures and Options Segment of National Securities Clearing Corporation Limited (hereinafter referred to as "NSCCL") / Derivatives Segment of the Stock Exchange, Mumbai (hereinafter referred to as "the Exchange")***.
2. M/s. \_\_\_\_\_ / \_\_\_\_\_ Ltd., a partnership firm registered under the Indian Partnership Act, 1932 and having their office at \_\_\_\_\_, / a Company incorporated under the Companies Act, 1956 and having its Registered Office at \_\_\_\_\_ (hereinafter referred to as "Trading Member" which expression shall include its successors and assigns) is a Trading Member registered with ***NSCCL / the Exchange*** and has entered into an Agreement with SHCIL in terms of rules and regulations and of bye-laws of ***NSCCL / Exchange*** for clearing and settlement of trades in the ***Futures and Option Segment of NSCCL / the Derivatives Segment of the Exchange***.
3. The Agreement entered by Trading Member with Clearing Member and the Rules, Bye-laws, Regulations of ***NSCCL / Derivative Segment of the Exchange*** provide that all Trading Members shall maintain with Clearing Member securities in the form of cash or Fixed Deposit with Banks or Approved Securities or Bank Guarantees after applying suitable margins, as prescribed by ***NSCCL / Derivatives Segment of the Exchange*** from time to time.

4. The Trading Members are also required to pay the Clearing Member **i.e. SHCIL** initial margin on upfront basis and settlement variation on account of daily mark to market or any other margin that may be prescribed by SHCIL from time to time in cash or in any other form of collateral based on their exposure and volume of business done by them in the ***Derivatives Segment of the Exchange / Futures and Option Segment***.
5. The Trading Members are also required to fulfil their engagements, commitments, obligations arising out of their Trading and Settlement system of the ***Derivatives Segment of the Exchange / Future and Options Segment of NSCCL***.
6. The Trading Members are also required to keep a certain amount of additional liquid assets with Clearing Member **i.e. SHCIL** for availing the gross exposure limit prescribed by Clearing Member from time to time.
7. At the request of Trading Member, SHCIL has agreed that the maintenance of additional liquid assets / payment of various margins and also to meet the obligations arising out of clearing and settlement of trades executed on the ***Derivatives Segment of the Exchange /Future and Option Segment*** shall be secured by a Bank Guarantee from a Scheduled Bank to be furnished by the Trading Member, in lieu of securities in the form of cash or Fixed Deposit with Banks or Approved Securities.
8. The Trading Member has requested the Bank to furnish to SHCIL, a Guarantee of Rs. \_\_\_\_\_ and the Bank has agreed to furnish the guarantee as hereinafter mentioned.

**NOW IN CONSIDERATION OF THE FOREGOING,**

1. We, the \_\_\_\_\_  
(Name \_\_\_\_\_ of \_\_\_\_\_ Bank) \_\_\_\_\_ having \_\_\_\_\_ a \_\_\_\_\_ branch  
at \_\_\_\_\_

(Complete Address of Branch) at the request and desire of the Trading Member do hereby irrevocably and unconditionally guarantee to pay a sum of Rs. \_\_\_\_\_, (Rupees \_\_\_\_\_ only) to SHCIL as a security for additional liquid assets, various margin requirements, due performance and fulfillment by the Trading Member of its engagements, commitments, operations, obligations or liabilities as a Trading Member of ***NSCCL / Derivative Segment of the Exchange*** including any sums due by the Trading Member to SHCIL or any other party as decided by SHCIL arising out of or incidental to any contracts made, executed, undertaken, carried on or entered into or purported so to be, by the Trading

Member. The Bank agrees and confirms that the said guarantee shall be available as a security for meeting, satisfying, discharging or fulfilling all or any obligations or liabilities of the Trading Member arising out of additional liquid assets, various margin payments and Trading & Settlement System of **Derivative Segment of the Exchange / NSCCL** as directed and decided by SHCIL, with no reference to the Trading Member.

2. The Bank hereby agrees that if in the opinion of SHCIL, the Trading Member has been or may become unable to meet, satisfy, discharge or fulfill any obligations, liability or commitments or any part thereof to SHCIL arising out of additional liquid assets, various margin payments and Trading & Settlement System of **Derivative Segment of the Exchange / NSCCL**, or to any other party as decided by SHCIL, then without prejudice to the rights of SHCIL under the Agreement or the Rules, Bye-laws or Regulations of **NSCCL / Derivative Segment of the Exchange** or otherwise, SHCIL may at any time thereafter and without giving any notice to the Trading Member invoke this guarantee to meet the aforesaid obligations, liabilities or commitments of the Trading Member.
3. The Bank undertakes that it shall, on first demand of SHCIL, without any demur, protest or contest and without any reference to the Trading Member and notwithstanding any contest by the Trading Member, pay to SHCIL such sums not exceeding Rs \_\_\_\_\_ (Rupees \_\_\_\_\_ only) as may be demanded by SHCIL. The decision of SHCIL as to the obligations or liabilities or commitments of the Trading Member and the amount claimed shall be final and binding on the Bank, and any demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee.
4. The guarantee shall be a continuing guarantee and remain operative in respect of each of the obligations, liabilities or commitments of the Trading Member severally and may be enforced as such in the discretion of SHCIL, as if each of the obligations, liabilities or commitments had been separately guaranteed by the Bank. The guarantee shall not be considered as cancelled or in any way affected on any demand being raised by SHCIL but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Trading Member arising out of the Agreements executed by Trading Member with SHCIL. However the maximum aggregate liability of the Bank during the validity of the guarantee shall be restricted to an aggregate sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).
5. Notwithstanding the above, the Bank notes that the nature of operations of the Trading Member is such that the obligations, liabilities or commitments of the Trading Member are of a continuing nature and as such, Bank agrees that this guarantee can be invoked by SHCIL even in respect of the obligations, liabilities or commitments of the Trading Member towards SHCIL which might have arisen prior to the execution of this guarantee.

6. This guarantee shall not be prejudiced by the failure of the Trading Member to comply with the terms and conditions of the Agreement entered into by SHCIL or the failure to comply with Rules or Bye Laws or Regulations of **NSCCL / Derivatives Segment of the Exchange** or any terms and conditions attendant to its Trading Membership. SHCIL shall be at liberty to vary, amend, change or alter any terms or conditions of the Agreement, without thereby affecting its rights against the Trading Member or the Bank or any other security belonging to Trading Member now or hereafter held or taken by SHCIL at any time. The discretion to make demands under this guarantee shall exclusively be that of SHCIL and SHCIL is entitled to demand hereunder notwithstanding being in possession of any deposits or other securities of the Trading Member.
7. The validity of this guarantee shall not be affected in any manner whatsoever if SHCIL takes any action against the Trading Member pursuant to **NSCCL / Derivative Segment of the Exchange** taking any action against Trading Member including DECLARATION OF A DEFAULTER, SUSPENSION or EXPULSION of the Trading Member from the membership of **NSCCL / Derivatives Segment of the Exchange**.
8. This guarantee shall not be affected by any change to the constitution of SHCIL or the Trading Member or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by SHCIL to Trading Member.
9. The Bank undertakes to pay to SHCIL, the amount hereby guaranteed within 24 hours of being served with a written notice requiring the payment of the amount either by hand delivery or by Registered Post or by Speed Post or by courier at the Bank's office address hereinabove mentioned.
10. The Bank hereby consents to SHCIL :
  - (i) making any variance, change or modification of any agreement with the Member Broker and / or others as SHCIL thinks fit;
  - (ii) giving time to the Trading Member for payment of any sums due from the Trading Member;
  - (iii) making any composition with the Trading Member;
  - (iv) releasing or parting with any security and / or;
  - (v) agreeing not to sue the Trading Member.

The Bank irrevocably agrees that this guarantee shall not be avoided, released or prejudicially affected and the Bank shall not be discharged from its liability hereunder to SHCIL by reason of the aforesaid or by reason of any act or omission by SHCIL, the legal consequence whereof may be to discharge the Trading Member and/or the Bank or by any act or omission by SHCIL which would, but for this provision, be inconsistent with the Bank's right as a surety.

11. The Bank agrees that in the event of **NSCCL/the Exchange** now or at any time hereafter holding any security, the Bank shall not be entitled to the

benefit of such security or to receive such security notwithstanding that the Bank may have made payment under this guarantee.

12. This guarantee may be invoked by SHCIL in part(s) without affecting its rights to invoke this guarantee for any liabilities that may devolve later.
13. The Bank undertakes not to revoke this guarantee during its currency except with the previous consent of SHCIL in writing and this guarantee shall be a continuous and irrevocable guarantee upto a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).
14. Notwithstanding anything mentioned herein above,
  - a) the liability of the Bank under this guarantee shall not exceed Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only)
  - b) This guarantee shall be valid for a period of \_\_\_\_\_ months i.e. upto \_\_\_\_\_.
15. The bank is liable to pay the guaranteed amount only if SHCIL serves upon the Bank a written claim or demand on or before \_\_\_\_\_ (i.e. within three months after the date of expiry of the bank guarantee as mentioned in clause 14 (b) above ).

Executed this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ (place).

FOR \_\_\_\_\_ (BANK)

\_\_\_\_\_ (BRANCH)

**AUTHORIZED SIGNATORIES  
SEAL OF THE BANK**