

Bank Guarantee – All Segments

This guarantee bearing No. _____ is issued by _____ (bank), a body corporate constituted under the _____, having its Head Office at _____ and a branch office at (hereinafter referred to as the “Bank” which term shall wherever the context so permits, includes its successors and assigns) in favour of **Metropolitan Clearing Corporation of India Ltd.**, a company established under the Companies Act, 1956 and having its registered office at, Building A, Unit 205B, 2nd Floor, Agastya Corporate Park, Sunder Baug Lane, Kamani Junction, L.B.S Road, Kurla West, Mumbai - 400 070. (Hereinafter referred to as “MCCIL” which expression shall include its successors and assigns),

Whereas

a. Mr. /Ms. _____ s/o / d/o / w/o _____, residing at _____ and having his/her office at _____ (Complete Address), (hereinafter referred to as the “Clearing Member”, which expression shall include his/her successors and assigns)

OR

M/s _____, a partnership firm registered under the Indian Partnership Act, 1932 and having their office at _____ (Complete Address), (hereinafter referred to as the “Clearing Member”, which expression shall include their successors and assigns)

OR

M/s _____ Limited, incorporated as a company under the Companies Act, 1956 and having its registered office at _____ (Complete Address), (hereinafter referred to as the “Clearing Member”, which expression shall include its successors and assigns) is/are a Clearing Member of MCCIL.

b. One of the conditions of Clearing Membership of MCCIL is that the Clearing Member maintains with MCCIL, liquid assets, in such forms and quantum as may be prescribed by MCCIL from time to time.

c. Pursuant to such requirement, the Clearing Member has requested the Bank to furnish to MCCIL a guarantee for Rs. _____ (Rupees _____ only) (hereinafter referred to as the “Guaranteed Amount”) towards liquid assets.

NOW IN CONSIDERATION OF THE FOREGOING,

1. Bank at the request and desire of the Clearing Member do hereby irrevocably and unconditionally guarantee to pay the Guaranteed Amount to MCCIL as a security for due performance and fulfilment by the Clearing Member of his/her/its engagements, commitments, operations, obligations or liabilities as

a Clearing Member of MCCIL including any sums due by the Clearing Member to MCCIL or any other party as decided by MCCIL arising out of or incidental to any contracts made, executed, undertaken, carried on or entered into or purported so to be, by the Clearing 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 obligation or liability of the Clearing Member as directed and decided by MCCIL, with no reference to the Clearing Member.

2. The Bank hereby agrees that if in the opinion of MCCIL, the Clearing Member has been or may become unable to meet, satisfy, discharge or fulfil any obligations, liability or commitments or any part thereof to MCCIL, or its Clearing and Settlement mechanism /arrangement or to any other party as decided by MCCIL, then without prejudice to the rights of MCCIL under its Rules, Bye-laws or Regulations or otherwise, MCCIL may at any time thereafter and without giving any notice to the Clearing Member invoke this guarantee to meet the aforesaid obligations, liabilities or commitments of the Clearing Member.
3. The Bank undertakes that it shall, on first demand of MCCIL, without any demur, protest or contestation and without any reference to the Clearing Member and notwithstanding any contestation by the Clearing Member, pay to MCCIL such sums not exceeding the Guaranteed Amount as may be demanded by MCCIL. The decision of MCCIL as to the obligations or liabilities or commitments of the Clearing 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 Clearing Member severally and may be enforced as such in the discretion of MCCIL, 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 MCCIL but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Clearing Member. However the maximum aggregate liability of the Bank during the validity of the guarantee shall be restricted to an aggregate sum equivalent to the Guaranteed Amount
5. Notwithstanding the above, the Bank notes that the nature of operations of the Clearing Member is such that the obligations, liabilities or commitments of the Clearing Member are of a continuing nature and as such, Bank agrees that this guarantee can be invoked by MCCIL even in respect of the obligations, liabilities or commitments of the Clearing Member towards MCCIL which might have arisen prior to the execution of this guarantee.
6. This guarantee shall not be prejudiced by the failure of the Clearing Member to comply with the Rules or Bye Laws or Regulations of MCCIL or any terms and conditions attendant to the Clearing Membership of MCCIL. MCCIL shall be at liberty to vary, amend, change or alter any terms or conditions or its Rules or Bye Laws or Regulations of Clearing Membership to MCCIL in general or as applicable to the Clearing Member in particular from time to time, without thereby affecting its rights against the Clearing Member or the Bank or any other security belonging to Clearing Member now or hereafter held or taken by MCCIL at any time. The discretion to make demands under this guarantee shall exclusively be that of MCCIL and MCCIL is entitled to demand hereunder notwithstanding being in possession of any deposits or other securities of the Clearing Member.

7. The validity of this guarantee shall not be affected in any manner whatsoever if MCCIL takes any action against the Clearing Member including DECLARATION OF A DEFAULTER, SUSPENSION or EXPULSION of the Clearing Member
8. This guarantee shall not be affected by any change to the constitution of MCCIL or the Clearing Member or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by MCCIL to Clearing Member.
9. The Bank undertakes to pay to MCCIL, 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.
10. This guarantee may be invoked by MCCIL in part(s) without affecting its rights to invoke this guarantee for any liabilities that may devolve later.
11. The Bank undertakes not to amend or revoke this guarantee or reduce the amount during its currency except with the previous consent of MCCIL in writing and this guarantee shall be a continuous and irrevocable guarantee up to a sum equivalent to the Guaranteed Amount.
12. Notwithstanding anything mentioned herein above the liability of the Bank under this guarantee shall not exceed the Guaranteed Amount. This guarantee shall be valid for a period up to _____ and the bank is liable to pay the guaranteed amount only if MCCIL serves upon the Bank a written claim or demand on or before _____.

Executed this _____ day of _____ at _____ (place)

FOR _____ (BANK)

_____ (BRANCH)

AUTHORIZED SIGNATORIES
SEAL OF THE BANK

Instructions (not to be printed):

1. Strike out whichever is not applicable
2. The Bank Guarantee to be stamped for Rs.300/- or the value prevailing in the State where executed, whichever is higher. Bank Guarantee to be executed on Non-Judicial stamp paper(s) or on paper franked from Stamp Office
3. At the time of Deposit of Bank Guarantee with MCCIL, Clearing Member should ensure that Bank Guarantee shall strictly comply with the formats circulated by MCCIL
4. While filling the details in a bank guarantee, Clearing Members shall ensure that:
 - a. No relevant portion is left blank
 - b. All handwritten corrections and blanks are attested by the bank by affixing the bank seal / stamp and duly authorised by bank officials.
 - c. All irrelevant portions struck off on the printed format should also be authenticated by the bank by affixing the bank seal / stamp duly authorised.
 - d. Each page of the bank guarantee should bear the bank guarantee number, issue date and should be signed by at least two authorised signatories of the bank.
 - e. Bank guarantee is free from any discrepancy before the same is submitted to MCCIL.
5. Bank Guarantee submitted towards security deposit requirement shall be for a minimum period of 1 year with a specific claim period of minimum 3 months. If no specific claim period is provided in the bank guarantee, then the minimum period of the bank guarantee shall be 15 months, out of which 3 months would be marked towards the claim period.
6. Bank guarantee for the additional margin requirement shall be for a minimum period of 3 months at the time of deposit with MCCIL. If the issuing bank has not provided any specific claim period beyond the expiry date, then the maturity period of the bank guarantee shall be reduced by 7 days, which shall be deemed as the claim period of the bank guarantee.