

## **FORMAT OF THE BANK GUARANTEE FOR SECURITY DEPOSIT**

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 Bikaner Commodity Exchange Limited by us for M/s. \_\_\_\_\_.

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

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

AUTHORISED SIGNATORIES

SEAL OF THE BANK

- 1) The enclosed printed format is required to be used.
- 2) All the blanks in the format are required to be duly filled by the issuing bank along with their stamp and signature against each blank if filled separately.
- 3) Each page of the bank guarantee should bear the bank guarantee number and should be signed by two authorised signatories of the bank.

**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 Bikaner Commodity Exchange Limited, a company established under the Companies Act, 1956 and having its registered office at Bichwal Udyog Sangh Building , Bichwal Industrial Area, Bikaner (hereinafter referred to as "BCEL" which expression shall include its successors and assigns),

**WHEREAS**

1. 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 " Member", which expression shall include its successors and assigns) \* is/are a Member of BCEL.
2. One of the conditions of Membership of BCEL is that the Member maintains with BCEL a security deposit in the form of Bank Guarantee/Fixed Deposits/Cash Deposit of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) after applying suitable margins as prescribed by BCEL.
3. At the request of the Member, BCEL has agreed to accept a bank guarantee in lieu of security deposit in favour of BCEL from an approved commercial bank for an equivalent amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).
4. The Member has requested the Bank to furnish to BCEL a guarantee for Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).

Bank Guarantee number: .....

Signature of two authorized signatories of the Bank.

Signature. ....

Signature. ....

**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 Member do hereby irrevocably and unconditionally guarantee to pay a sum of Rs. \_\_\_\_\_, (Rupees \_\_\_\_\_ only) to BCEL as a security for due performance and fulfillment by the Member of his/her/its engagements, commitments, operations, obligations or liabilities as a Member of BCEL including any sums due by the Member to BCEL or any other party as decided by BCEL arising out of or incidental to any contracts made, executed, undertaken, carried on or entered into or purported so to be, by the 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 Member as directed and decided by BCEL, with no reference to the Member.
2. The Bank hereby agrees that if in the opinion of BCEL, the Member has been or may become unable to meet, satisfy, discharge or fulfill any obligations, liability or commitments or any part thereof to BCEL, or its Clearing and Settlement mechanism /arrangement or to any other party as decided by BCEL, then without prejudice to the rights of BCEL under its Rules, Bye-laws or Regulations or otherwise, BCEL may at any time thereafter and without giving any notice to the Member invoke this guarantee to meet the aforesaid obligations, liabilities or commitments of the Member.
3. The Bank undertakes that it shall, on first demand of BCEL, without any demur, protest or contestation and without any reference to the Member and notwithstanding any contestation by the Member, pay to BCEL such sums not exceeding Rs \_\_\_\_\_ (Rupees \_\_\_\_\_ only) as may be demanded by BCEL. The decision of BCEL as to the obligations or liabilities or commitments of the 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 Member severally and may be enforced as such in the discretion of BCEL, 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 BCEL but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Member. 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).

Bank Guarantee number: .....

Signature of two authorized signatories of the Bank

Signature. ....

Signature. ....

- 4 (a) Notwithstanding the above, the Bank notes that the nature of operations of the Member is such that the obligations, liabilities or commitments of the Member are of a continuing nature and as such, Bank agrees that this guarantee can be invoked by BCEL even in respect of the obligations, liabilities or commitments of the Member towards BCEL which might have arisen prior to the execution of this guarantee.
  
5. This guarantee shall not be prejudiced by the failure of the Member to comply with the Rules or Bye Laws or Regulations of BCEL or any terms and conditions attendant to the Membership of BCEL. BCEL shall be at liberty to vary, amend, change or alter any terms or conditions or its Rules or Bye Laws or Regulations of Membership to BCEL in general or as applicable to the Member in particular from time to time, without thereby affecting its rights against the Member or the Bank or any other security belonging to Member now or hereafter held or taken by BCEL at any time. The discretion to make demands under this guarantee shall exclusively be that of BCEL and BCEL is entitled to demand hereunder notwithstanding being in possession of any deposits or other securities of the Member.
  
6. The validity of this guarantee shall not be affected in any manner whatsoever if BCEL takes any action against the Member including DECLARATION OF A DEFAULTER, SUSPENSION or EXPULSION of the Member from the membership of BCEL.
  
7. This guarantee shall not be affected by any change to the constitution of BCEL or the Member or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by BCEL to Member.
  
8. The Bank undertakes to pay to BCEL, 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.
  
9. This guarantee may be invoked by BCEL in part(s) without affecting its rights to invoke this guarantee for any liabilities that may devolve later.
  
10. The Bank undertakes not to revoke this guarantee during its currency except with the previous consent of BCEL in writing and this guarantee shall be a continuous and irrevocable guarantee upto a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).

Bank Guarantee number: .....

Signature of two authorized signatories of the Bank.

Signature. ....

Signature. ....

**11. 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 twelve months i.e. upto \_\_\_\_\_.

(c) The bank is liable to pay the guaranteed amount only if BCEL 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 11 b above).

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

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

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

Bank Guarantee number: .....

**AUTHORISED SIGNATORIES  
SEAL OF THE BANK**