

**Annexure – V**

*(on letter head of the bank )*

Date :

India International Clearing Corporation (IFSC) Ltd. (India ICC)  
1st Floor, Unit No. 102  
Hiranandani Signature  
Building no. 13B, Road 1C, Zone 1  
GIFT SEZ, GIFT City  
Gandhinagar – 383255

Dear Sir,

**Subject : Submission of Bank Guarantee**

We confirm having issued the following bank guarantee/s favouring yourself on behalf of *(clearing member's name and address)*.

| <b>Bank Guarantee No.</b> | <b>Expiry Date</b> | <b>Amount (USD)</b> |
|---------------------------|--------------------|---------------------|
|                           |                    |                     |
|                           |                    |                     |
|                           |                    |                     |

We aconfirm that the persons who have signed the above guarantee(s) are authorized signatories of the bank.

Yours faithfully,

For *(bank name)*

Authorised Signatory (Signature)

Authorised Signatory (Name & Designation)

## Format of Bank Guarantee

**BG No. :**

**BG Date :**

From:

Name of Bank :

Address of the Bank :

(hereinafter referred to as **Bank**)

To,

India International Clearing Corporation (IFSC) Ltd. (India ICC)

1st Floor, Unit No. 102

Hiranandani Signature,

Building no. 13B, Road 1C, Zone 1

GIFT SEZ, GIFT City

Gandhinagar – 383255

(hereinafter referred to as **"India ICC"**)

WHEREAS:

- (i) M/s. \_\_\_\_\_  
a body corporate, incorporated under the Companies Act, 2013, having its Registered Office at .....  
is a Clearing Member of India ICC, having Clearing No. ...., hereinafter referred to as **"Clearing Member"** (which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include his / her / its successors, administrators and permitted assigns);

As per the Rules, Bye-laws and Regulations of the India International Clearing Corporation (IFSC) Ltd. (India ICC) and in pursuance of various notices/circulars issued by the Securities and Exchange Board of India ("SEBI") / Reserve Bank of India / India ICC, all its Clearing Members are required to maintain with India ICC, collateral towards Additional Capital in the form of Cash or Fixed Deposit of Banks

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or Bank Guarantees after applying suitable haircut/margins, as prescribed by India ICC from time to time.

- (iii) Clearing Members of the India ICC are also required to keep a certain amount as additional liquid asset with India ICC for availing of the trading limits and / or adjustment against margins prescribed by India ICC from time to time.
- (iv) Clearing Members are also required to pay to India ICC, various types of margins (comprising, inter alia, mark to market margin, Initial margin, Value at Risk margin, Special margins, Extreme Loss margins, additional volatility margins etc.) or any other margins in cash for their exposure and volume of the business done by them on the India International Exchange (IFSC) Ltd. (India INX) from time to time.
- (v) Clearing Members are also required to fulfil their engagements, commitments, obligations arising out of trading, clearing & settlement system of India INX / India ICC
- (vi) India ICC requires that the maintenance of additional capital (Liquid Assets) / payment of various margins and fulfilment of all requirements/liabilities/obligations arising under the Rules, Bye-laws and Regulations of India ICC and/or instructions/directions issued by India ICC from time to time in relation to India INX may be secured by the Clearing Members, inter alia, by executing a Bank Guarantee, in favour of India ICC.
- (vii) At the request of the Clearing Member, India ICC has agreed to accept a Bank Guarantee issued in its favour from \_\_\_\_\_ (name of the Clearing Bank at IFSC, GIFT City), IFSC, GIFT City, Gandhinagar for an amount of USD \_\_\_\_\_, (USD \_\_\_\_\_ only) in lieu of equivalent, additional capital (liquid assets) requirement, various margin payments and to meet his/ its requirements, obligations and commitments as aforesaid.
- (viii) The Clearing Member has requested the Bank to furnish to India ICC a guarantee of USD \_\_\_\_\_ (USD \_\_\_\_\_ only).

IT IS HEREBY AGREED BY THE BANK AS UNDER:-

1. We, the above mentioned Bank at the request and desire of the Clearing Member of India ICC do hereby irrevocably and unconditionally guarantee to pay USD \_\_\_\_\_ (USD \_\_\_\_\_ only) to India ICC as a security for, additional capital ( liquid assets ), various margin requirements and due performance and fulfillment by the Clearing Member of his / its requirements,

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engagements, commitments, operations, obligations or liabilities arising under the Rules, Bye-laws and Regulations and/or pursuant to instruction /direction issued by India ICC in relation to trading on India INX. 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 Clearing Member.

2. The Bank hereby agrees that if in the opinion of India ICC, the Clearing Member has been or may become unable to meet, satisfy, discharge or fulfil any requirements, obligations, liabilities or commitments or any part thereof to India ICC as aforesaid, then without prejudice to the rights of India ICC under its Rules, Bye-laws and Regulations or otherwise, India ICC, may at any time thereafter and without giving any notice to the Clearing Member invoke this guarantee to meet the obligations, liabilities or commitments of the Clearing Member.
3. The Bank undertakes that it shall on first demand of the India ICC, without any demur, protest or contest and without any reference to the Clearing Member and notwithstanding any contest by the Clearing Member, pay to India ICC sums not exceeding USD \_\_\_\_\_ (USD \_\_\_\_\_ only) as may be demanded by India ICC. The decision of the India ICC from time to time as to the requirements or obligations or liabilities or commitments of the Clearing Member and the amount claimed shall be final and binding on the Bank.
4. This guarantee shall not be prejudiced by the failure of the Clearing Member to comply with the Rules, Bye-laws or Regulations of India ICC / India INX. India ICC / India INX shall be at liberty to vary, amend, change or alter any terms or conditions or its Rules or Bye-laws or Regulations relating to membership of India ICC in general or as applicable to the Clearing Member in particular without thereby affecting its rights against the Clearing Member or the Bank or any security belonging to the Clearing Member now or hereafter held or taken by India ICC, at any time. The discretion to make demands under this guarantee shall exclusively be that of India ICC and India ICC is entitled to demand hereunder notwithstanding being in possession of any deposits or other securities of the Clearing Member.
5. The validity of this guarantee shall not be affected in any manner whatsoever if India ICC takes any action against the Clearing Member including default, suspension or expulsion of the Clearing Member from India ICC.
6. This guarantee shall not be affected by any change in the constitution of India ICC or the Clearing Member or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by India ICC to its Clearing Member.
7. The Bank undertakes to pay to India ICC, the amount hereby guaranteed within Twenty Four hours (excluding any IFSC Banking Unit and Nostro holidays) of being

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8. served with a written notice requiring the payment of the amount to the Branch Manager of the Bank's office address stated hereinabove or to such other address as India ICC may be aware of either by hand delivery or by Registered Post or by Speed Post or by Courier Service.
9. The Bank hereby consents to India ICC for:
  - (i) Making any variance, change or modification of any agreement with the Clearing Member and/ or others as India ICC thinks fit; and
  - (ii) Giving time to the Clearing Member for payment of any sums due from the Clearing Member; and
  - (iii) Making any composition with the Clearing Member; and
  - (iv) Releasing or parting with any security and/ or
  - (v) Agreeing not to sue the Clearing 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 India ICC by reason of the aforesaid or by reason of any act or omission by India ICC, the legal consequence whereof may be to discharge the Clearing Member and/ or the Bank or by any act or omission by India ICC which would, but for this provision, be inconsistent with the Bank's right as a surety. The Bank agrees that this guarantee shall remain valid and enforceable notwithstanding any forbearance or delay in the enforcement of the terms of the contract between the Bank and Clearing Member or of India ICC's Rules, Bye-laws and Regulations. The Bank waives all the rights available to the Bank as surety under Section 133,134,135,139 and 141 of the Indian Contract Act, 1872 or any amendment thereof. The Bank also agrees that the Bank shall not be entitled to the benefit of subrogation to any security held by India ICC.

10. The Bank agrees that in the event of India ICC 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.
11. The Bank undertakes not to revoke this guarantee during its currency except with the previous consent of India ICC in writing and this guarantee shall be continuous and irrevocable.
12. The Bank hereby states that this guarantee is not issued on the basis of any arrangement with or counter guarantee of any other Bank.

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13. Notwithstanding anything mentioned hereinbefore, the aggregate liability of the Bank under this guarantee is restricted to USD \_\_\_\_\_ (USD \_\_\_\_\_ only) and it will remain in force for a period of \_\_\_\_ months i.e. upto \_\_\_\_\_ day of \_\_\_\_\_.
14. Unless a claim/demand in writing is made against the Bank under this guarantee before the expiry of three months from the aforesaid date i.e. on or before \_\_\_\_\_ day of \_\_\_\_\_, all rights of India ICC under this guarantee shall cease and the Bank shall be relieved and discharged from all liabilities thereunder.
15. No charges whatsoever, in any form, will be charged by the Bank, to India ICC, in the event of a claim against the Bank Guarantee.
16. Board resolution or power of attorney provided to signator(ies) for signing the bank guarantee is enclosed.

Executed at IFSC, GIFT City, Gandhinagar, this \_\_\_\_\_ day of \_\_\_\_\_,

For \_\_\_\_\_ (Bank)

\_\_\_\_\_ (Name of the Branch)

Sd. /-

Authorized Signatory(ies)

Seal of the Bank