

BG NO: \_\_\_\_\_

Date: \_\_\_\_\_

**Format of the Fresh Bank Guarantee for Margin / Additional Deposit  
(Annexure – A)**

Enclosed Bank Guarantee should be stamped as under:

Non-Judicial stamp paper of minimum Rs.300/- 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 Multi Commodity Exchange of India Ltd. by us for M/s. ....

FOR ..... (BANK)  
..... (BRANCH)

**AUTHORISED SIGNATORIES  
SEAL OF THE BANK**

- 1) The enclosed printed format is required to be used. The format is also available at MCX's website ([www.mcxindia.com](http://www.mcxindia.com)).
- 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.

**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 Multi Commodity Exchange of India Ltd, a national level Multi Commodity Exchange duly recognized under Forward contracts (Regulation) Act, 1913, a company established under the Companies Act, 1956 and having its registered office at 102 A, Landmark, Suren Road, Chakala, Andheri (East), Mumbai – 400 093. (hereinafter referred to as "MCX" which expression shall include its successors and assigns),

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**WHEREAS**

1. M/s ....., incorporated 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 MCX.

**OR**

Mr./Ms. \_\_\_\_\_ s/o / d/o / w/o \_\_\_\_\_, residing at \_\_\_\_\_ and having his/her office at \_\_\_\_\_ (Complete Address), (hereinafter referred to as the "Member", which expression shall include his/her successors and assigns) /\* is/are a Member of MCX.

**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 "Member", which expression shall include their successors and assigns) /\* is/are a Member of MCX.

2. One of the conditions of Membership of MCX is that the Member maintains with MCX a security deposit in the form of cash deposit of Rs..... (Rupees ..... only) along with shares and other securities of a value not less than Rs..... Rupees .....only) after applying suitable margins as prescribed by MCX

3. At the request of the Member, MCX has agreed to accept a bank guarantee in lieu of security deposit in the form of shares and other securities in favour of MCX from an approved commercial bank for an equivalent amount of Rs.....(Rupees.....only).

4. The Member has requested the Bank to furnish to MCX a guarantee for Rs..... (Rupees .....only)

**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 MCX 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 MCX including any sums due by

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the Member to MCX or any other party as decided by MCX 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 MCX, with no reference to the Member.

2. The Bank hereby agrees that if in the opinion of MCX, the Member has been or may become unable to meet, satisfy, discharge or fulfill any obligations, liability or commitments or any part thereof to MCX, or its Clearing and Settlement mechanism /arrangement or to any other party as decided by MCX, then without prejudice to the rights of MCX under its Rules, Bye-Laws or Regulations or otherwise, MCX 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 MCX, without any demur, protest or contestation and without any reference to the Member and notwithstanding any contestation by the Member, pay to MCX such sums not exceeding Rs.....(Rupees .....only) as may be demanded by MCX. The decision of MCX 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 MCX, 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 MCX 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).

4a. 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 MCX even in respect of the obligations, liabilities or commitments of the Member towards MCX 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 MCX or any terms and conditions attendant to the Membership of MCX. MCX 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 MCX 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 MCX at any time. The discretion to make demands under this guarantee shall exclusively be that of

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MCX and MCX 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 MCX takes any action against the Member including DECLARATION OF DEFAULTER, SUSPENSION or EXPULSION of the Member from the membership of MCX.

7. This guarantee shall not be affected by any change in the constitution of MCX or the Member or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by MCX to Member.

8. The Bank undertakes to pay to MCX, 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 MCX 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 MCX in writing and this guarantee shall be a continuous and irrevocable guarantee upto a Rs.....(Rupees .....only).

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 minimum period of 3 months in case of additional margin and minimum period of 12 months in case of security deposit.

c) The bank is liable to pay the guaranteed amount only if MCX serves upon the Bank a written claim or demand on or before ..... (i.e. within 30 days 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)

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