

Annexure – 2 - Bank Guarantee (BG) for Additional Base Capital

Instructions

1. This Bank Guarantee has to be either franked or executed on a Non-Judicial stamp paper of Rs. 300/- or the value prevailing in the state, whichever is higher.
2. Please ensure that each and every blank in the Bank Guarantee is duly filled.
3. Please ensure that each and every handwritten detail filled is countersigned by the authorized signatory (ies).
4. Please ensure that each and every page is signed and rubber stamped.

GUARANTEE

This guarantee is issued by _____ (Bank Name), 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 ACE DERIVATIVES & COMMODITY EXCHANGE LIMITED , a company established under the Companies Act, 1956 and having its registered office at Rawat ni Wadi, Nr. Central Bank of India, Gandhi Road, Ahmedabad, Gujarat, 380001(hereinafter referred to as "ACE" which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns),

WHEREAS

1. 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 unless it be repugnant to the context or meaning thereof be deemed to mean and 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 "Member", which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and 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 "Member", which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns) * is/are a Member of ACE.

2. One of the conditions of Membership of ACE is that Member maintains with ACE **margin deposits** in the form of cash deposit, Bank Guarantees, FDRs and Government of India securities of such value as prescribed by ACE.
3. At the request of the Member, ACE has agreed to accept a bank guarantee in lieu of **margin deposit** in favour of ACE from an approved commercial bank for an equivalent amount of Rs. _____/- (Rupees _____ only).
4. The Member has requested the Bank to furnish to ACE 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 ACE 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 ACE including any sums due by the Member to ACE or any other party as decided by ACE 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 ACE, with no reference to the Member.
2. The Bank hereby agrees that if in the opinion of ACE, the Member has been or may become unable to meet, satisfy, discharge or fulfill any of its obligations, liability or commitments or any part thereof to ACE, or its Clearing and Settlement mechanism /arrangement or to any other party as decided by ACE, then without prejudice to the rights of ACE under its Bye-laws, Rules or Business Rules or otherwise, ACE 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 ACE, without any demur, protest or contestation and without any reference to the Member and notwithstanding any contestation by the Member, pay to ACE such sums not exceeding Rs. _____/- (Rupees _____ only) as may be demanded by ACE. The decision of ACE 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 ACE, 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 ACE 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).
 - 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 ACE even in respect of the obligations, liabilities or commitments of the Member towards ACE 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 Bye-laws, Rules or Business Rules of ACE or any terms and conditions attendant to the Membership of ACE. ACE shall be at liberty to vary, amend, change or alter any terms or conditions or its Bye-laws, Rules or Business Rules of Membership to ACE 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 ACE at any time. The discretion to make demands under this guarantee shall exclusively be that of ACE and ACE 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 ACE takes any action against the Member including DECLARATION OF A DEFAULTER, SUSPENSION, EXPULSION or any other disciplinary action .
7. This guarantee shall not be affected by any change in the constitution of ACE or the Member or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by ACE to Member.
8. The Bank further agrees that the ACE shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of membership of the Member, Bye Laws, Rules, and/or Business Rules or to extend time of performance of any obligation/s by the said Member from time to time or to postpone for any time or from time to time any of the powers exercisable by the ACE against the said Member and to forbear or enforce any of the terms and conditions relating to the membership and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Member or for any forbearance, act or omission on the part of the ACE or any indulgence by the ACE to the said Member or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.
9. The Bank undertakes to pay to ACE, 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 ACE in part(s) without affecting its rights to invoke this guarantee for any liabilities that may devolve later.
11. The Bank undertakes not to revoke this guarantee during its currency except with the previous consent of ACE in writing and this guarantee shall be a continuous and irrevocable guarantee upto a sum of Rs. _____/- (Rupees _____ only).
12. Notwithstanding anything mentioned herein above, the liability of the Bank under this guarantee shall not exceed Rs. _____ (Rupees _____ only) and it shall be valid for a period of _____ months i.e. up to _____(Date of expiry of Bank Guarantee).
13. The bank is liable to pay the guaranteed amount only if ACE serves upon the Bank a written claim or demand on or before _____ (Claim date of the bank guarantee) i.e. within _____ months after the date of expiry of Bank Guarantee.
14. This Bank Guarantee shall be governed by and construed and interpreted in accordance with the laws of India and the courts in Mumbai shall have exclusive jurisdiction on all matters arising out of this Bank Guarantee.

15. The Bank has power to issue this Guarantee under the statute and the undersigned has full power to sign this Guarantee on behalf of the Bank.

Executed on this _____ day of _____ at _____ (place).

FOR _____ (BANK)
_____ (BRANCH)

AUTHORIZED SIGNATORIES
SEAL OF THE BANK
*** Delete whichever is not applicable**