

Bank Guarantee

This guarantee is issued by _____ (name of the bank in case the Issue is of a bank, the guarantee is to be from another bank and not the Issuer 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 National Stock Exchange of India Limited, a company established under the Companies Act, 1956 and having its registered office at Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 (hereinafter referred to as “NSE” which expression shall include its successors and assigns),

WHEREAS

1. _____ (name of Issuer), having its Registered office at _____, (hereinafter referred to as the “Issuer”, which expression shall include its successors and assigns) have made a listing application with NSE for permission to list its securities (_____ name the security) offered to the public for a value aggregating to Rs. _____ (Rupees _____) in terms of the prospectus/Letter of Offer dated _____ of the Issuer.
2. The Issuer had requested NSE to act as the ‘Designated stock exchange’ in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 for completion of the process of the proposed public issue referred to in Paragraph 1 above.
3. One of the conditions precedent for NSE to agree to function as the ‘Designated stock exchange’ for the proposed public issue of the Issuer is that the Issuer maintains with NSE a security deposit aggregating to one percent of the amount

of the value of the securities so offered for subscription of which at least fifty percent upto a higher limit of Rs. 3 crores is required to be tendered by the Issuer in cash and the balance may be provided by way of a bank guarantee for the performance of its obligations as an Issuer and as prescribed by the Securities and Exchange Board of India (SEBI), the provisions of the Listing Agreement already executed or proposed to be executed by the Issuer in favour of NSE and of all prevailing requirements of law .

4. The Issuer has requested the Bank to furnish to NSE a bank 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 Issuer do hereby irrevocably and unconditionally guarantee NSE a sum of Rs. _____ (Rupees _____ only) in lieu of fifty percent / balance of security deposit required to be provided by the Issuer to NSE, as security for due performance and fulfilment by the Issuer of its engagements, commitments, operations, obligations or liabilities as an Issuer and as prescribed by the Securities and Exchange Board of India (SEBI), the provisions of the Listing Agreement already executed or proposed to be executed by the Issuer in favour of NSE and of all prevailing requirements of law.
2. The Bank agrees and confirms that the said guarantee shall be available as a security for meeting, satisfying, discharging or fulfilling all or any of the aforesaid obligations of the Issuer or as may be directed and decided by NSE / SEBI or any other relevant statutory authority, with no reference to the Issuer.

3. The Bank hereby agrees that if in the opinion of NSE, the Issuer fails in its engagements, commitments, operations, obligations or liabilities as an Issuer and as prescribed by the Securities and Exchange Board of India (SEBI), the Listing Agreement between NSE and the Issuer and of all prevailing requirements of law, NSE may at any time thereafter and without giving any notice to the Issuer invoke this guarantee on account of the Issuer failing to meet the aforesaid obligations, liabilities or commitments of the Issuer.
4. The Bank undertakes that it shall, on first demand of NSE, without any demur, protest or contestation and without any reference to the Issuer, and notwithstanding any contestation by the Issuer, pay to NSE such sums not exceeding Rs. _____(Rupees only) as may be demanded by NSE. The decision of NSE as to the obligations or liabilities or commitments of the Issuer 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.
5. The guarantee shall be a continuing guarantee and remain operative in respect of each of the obligations, liabilities or commitments of the Issuer severally and may be enforced as such at the discretion of NSE, 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 NSE but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Issuer. 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).
6. This guarantee shall not be affected by any change to the constitution of NSE or the Issuer or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by NSE to the Issuer.

7. The Bank undertakes to pay to NSE, the amount hereby guaranteed within 24 hours of being served with a written notice by NSE requiring the payment of the amount either by hand delivery or by Registered Post or by Speed Post.
8. The Bank undertakes not to revoke this guarantee during its currency except with the previous consent of NSE in writing and this guarantee shall be a continuous and irrevocable guarantee upto a sum of Rs._____ (Rupees only).
9. 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 six months from date i.e. upto _____.
- c) The bank is liable to pay the guaranteed amount only if NSE 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 9 b) above].

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

FOR _____(BANK)

_____(BRANCH)

AUTHORISED SIGNATORIES
SEAL OF THE BANK

Notes :

1. The guarantee is to be typed on stamp paper or franked from a stamp office.
2. The value of stamp duty is to be determined according to stamp laws prevailing in the state where the stock exchange to which this guarantee is proposed to be given, is located.
3. The Bank offering the guarantee should confirm the authority of the person who is executing the guarantee either by :
 - a) a Power of Attorney
 - b) a Resolution passed by the Board of Directors of the Bank, or
 - c) Gazette notification (as in the case of State Bank of India and subsidiaries).
 - d) It should be noted that sometimes monetary limits are placed on the authority of the bank officer(s) executing the bank guarantee.