

Bank Guarantee

This guarantee is issued by _____ (name of Scheduled Commercial 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. I / We _____ (name/s of Promoter/s, hereinafter referred to as “Promoter” which shall include successors and legal representatives) of the _____, a company having its Registered office at _____, (hereinafter referred to as the “Exiting Company”, which expression shall include its successors and assigns) have expressed intent to provide Exit option to public shareholders as per Securities and Exchange Board of India (SEBI) circular SEBI/HO/MRD/DSA/CIR/P/2016 /110 dated October 10, 2016 (hereinafter referred to as ‘SEBI Circular’) by offering to purchase the shares from the public shareholders for a value aggregating to Rs. _____ (Rupees _____) in terms of the per share value determined by the Independent valuer from the panel of empanelled expert valuers of NSE.

2. NSE shall act as the ‘Designated stock exchange’ to the Exiting Company in terms of SEBI Circular for completion of the process of providing Exit option to public shareholders where Promoter shall offer to purchase the shares from the public as referred to in Paragraph 1 above.

3. Promoter of the Exiting Company shall deposit total estimated amount of Rs. _____ (Rupees _____ only) being the consideration computed on the basis of per share value as determined by the independent expert valuer multiplied by the quantity of shares offered to purchase from the public shareholders in the escrow account either in the form of Cash / Bank Guarantee / a combination of both.
4. One of the requirement of the SEBI Circular is that the Promoter of Exiting Company shall maintain with NSE a security deposit for the value of the shares so offered for purchase from the public shareholders by way of a bank guarantee for the performance of its obligations as Promoter of Exiting Company and as prescribed by the SEBI Circular.
5. The Promoter of Exiting Company has requested the Bank to furnish to NSE a bank guarantee for Rs. _____ (Rupees _____ only) towards meeting the above requirements of the SEBI Circular.

NOW IN CONSIDERATION OF THE FOREGOING,

1. We, the _____ (Name of Scheduled Commercial Bank) having a branch at _____ (Complete Address of Branch) at the request and desire of the Promoter of the Exiting Company do hereby irrevocably and unconditionally guarantee NSE a sum of Rs. _____ (Rupees _____ only) as security for due performance and fulfilment by the Promoter of the Exiting Company of its obligations or liabilities as Promoter of Exiting Company under the SEBI Circular.

2. The Bank agrees and confirms that the said guarantee shall be available as a security for fulfilling all or any of the aforesaid obligations of the Promoter of the Exiting Company or as may be directed and decided by NSE / SEBI, with no reference to the Exiting Company or Promoter/s.
3. The Bank hereby agrees that if in the opinion of NSE, the Promoter of the Exiting Company fails in its obligations, NSE may at any time thereafter and without giving any notice to the Promoter or to the Exiting Company invoke this guarantee on account of Promoter of the Exiting Company failing to meet the aforesaid obligations.
4. The Bank undertakes that it shall, on first demand of NSE, without any demur, protest or contestation and without any reference to the Promoter or the Exiting Company and notwithstanding any contestation by the Promoter or the Exiting Company, pay to NSE such sums not exceeding Rs. _____ (Rupees only) as may be demanded by NSE. The decision of NSE as to the obligations of the Promoter of the Exiting Company 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 of the Promoter of the Exiting Company 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 Promoter of the Exiting Company. 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, Promoter or the Exiting Company or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by NSE to the Promoter or to the Exiting Company.
7. The Bank undertakes to pay to NSE, the amount hereby guaranteed within 2 working days 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 one year 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.