

PROFORMA OF BANK GUARANTEE FOR PERFORMANCE

(To be obtained from a Nationalised/scheduled bank in India)

The Fertilizers And Chemicals Travancore Ltd.,
Udyogamandal

This deed made the day of Two Thousand..... by.....Bank, a Bank incorporated in and having its Registered Office at (hereinafter called 'The Bank' which expression shall include its successors & assigns)

AND WHEREAS The Fertilisers And Chemicals Travancore Ltd, Udyogamandal P.O., Kerala (hereinafter called 'The Company') has placed an Order with M/s.....(hereinafter called 'The Supplier/Contractor') in terms of Order No..... dated.....for the supply/work of..... at a total cost of ₹..... (Rupees.....only)

AND WHEREAS the said Company has called upon the said Supplier/Contractor to give a Bank Guarantee for ₹ (Rupees..... only) equal to..... % of the above Order towards due performance of the equipment/spare parts/materials in terms and conditions contained in the said Order.

AND WHEREAS the said Company has agreed to accept a guarantee from us.

We, the said Bank do hereby undertake to pay the Company an amount not exceeding ₹..... (Rupees.....only) against any loss or damage caused to or suffered by or would be caused to or suffered by the Company by reason of any breach by the said Supplier/Contractor of any of the terms and conditions of the said Order.

We,, do hereby undertake to pay the amount due and payable under this guarantee without any demur merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or suffered by or would be caused to or suffered by the Company by reason of breach by the said Supplier/Contractor of any of the terms and conditions contained in the said Order. Any such demand made on the Bank shall be final, conclusive and binding on the Bank as regards the amount due and payable by the Bank under this guarantee.

We undertake to pay to the Company any money so demanded notwithstanding any dispute or disputes raised by the Supplier/Contractor in any suit or proceeding pending before any court or Tribunal relating thereto, our liabilities under this present being absolute and unequivocal.

The payment so made by us under this guarantee shall be valid discharge of our liability for payment there under and the Supplier/Contractor shall have no claim against us for making such payment.

We,, further agree that the guarantee herein contained shall remain in full force until performance warranty period has expired and all other conditions have been fulfilled in terms of the Order by the Supplier/Contractor and the Company discharges the guarantee accordingly.

We,, further agree with the said Company that they 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 the said Order or to extend time of performance by the said Supplier/Contractor or to postpone for any time and from time to time any of the powers exercisable by the Company against the said Supplier/Contractor and to forebear or enforce any of the terms and conditions relating to the said Order or securities available to the Company and we shall not be relieved from our liability by reason of any such variation or extension being granted to the said Supplier/Contractor or for any forbearance, act or omission on the part of the Company or any indulgence by the Company to the said Supplier/Contractor or any other matter or thing which under the law relating to sureties, but for this provision, have the effect of so relieving us.

This guarantee shall not be affected by any change in the constitution of the Bank or the Company or the said Supplier/Contractor nor shall this guarantee be affected by any change in the constitution of the Company or the said Supplier/Contractor by absorption with any other body or corporation and this guarantee shall be available to or enforceable by such body or corporation.

Our guarantee shall remain in force until..... Unless a claim or demand is made within six months after the expiry of the guarantee, all the Company's rights under the guarantee shall be deemed as waived/forfeited and we shall be relieved and discharged from all liabilities there under. Notwithstanding anything contained hereinbefore, our liability under this guarantee shall be limited to an amount not exceeding ₹ (Rupees..... only)

Any notice by way of request, demand or otherwise hereunder may be sent by post to the Bank addressed as aforesaid and if sent by post, it shall be deemed to have been given at the time when it would be delivered in due course of post and in proving such notice when given by post, it shall be sufficient to prove that the envelope containing the notice was so posted and certificate signed by an officer of the Company that the envelope was so posted, shall be conclusive.

Disputes/differences, if any, relating to or arising out of this Bank Guarantee, shall be settled by courts having Jurisdiction over Udyogamandal, in Kerala State, where the registered office of the Company is situated and no other court shall have jurisdiction in the matter.

We,, Bank lastly undertakes not to revoke this guarantee during its currency except with the previous consent of the Company in writing.

Dated this day of Two Thousand.....

For (Name of Bank)

Authorised Official

Name:

Designation:

Place:

Full address of the Branch issuing this guarantee