

APPENDIX 25C

(Please see para 2.20A of HBP v.1)

BANK GUARANTEE FORMAT FOR DEPB SCHEME AND FREELY TRANSFERABLE INCENTIVE SCHEMES OF

CHAPTER 3

To,

The President of India

Acting through the Director General of Foreign Trade

In consideration of the President of India, acting through the Director General of Foreign Trade (which expression shall be deemed to include the Joint Director General of Foreign Trade/Deputy Director General of Foreign Trade, or any other authority for the time being authorised to perform the duties of Joint Director General of Foreign Trade/Deputy Director General of Foreign Trade), Ministry of Commerce, Government of India, New Delhi (hereinafter referred to as the Government) having notified the _____ Scheme* (fill up the actual specific Scheme) in the Foreign Trade Policy, 2004-09, as amended from time to time (herein after referred to as "Scheme"). The importer/exporter _____ (full expanded name of the importer/exporter with complete address and IEC No.) (herein after referred to as 'party', which expression shall be deemed to include his/her heirs, successors, administrators and assignee, if the firm is Sole Proprietary firm/jointly and severally all the Partners through their legal heirs, successors, administrators, and assignee as well as the portions where body corporate or not having the control of the affairs of the said firm, if it is Partnership firm/successors in business and assignee, if firm is limited company) desires to apply for scrip(s) under the Scheme (herein after referred to as scrip(s) for import of the goods allowed under the Scheme) on fulfilling the terms and conditions of the Scheme, which inter-alia stipulates production of a Bank Guarantee in case the party applies for the scrip(s) without submission of the Bank Realisation Certificate or other documents evidencing realisation of export proceeds (as per terms and conditions of the Scheme). We _____ (indicate the name and full address and other particulars of the Bank) (hereinafter referred to as Bank) at the request of the party do hereby unconditionally and irrevocably undertake to pay the Government an amount not exceeding Rs. _____ against any loss or damage caused to or suffered by the Government by reason of any failure on the part of the said party to furnish the Bank Realisation Certificate or other documents evidencing realisation of export proceeds (as per the terms and condition of the Scheme) within the time period endorsed in the Scrip(s).

2. We _____ (indicate the name of Bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur or protest, merely on a demand from the Government stating that the

amount claimed is due on account of non-realisation of export proceeds or any loss suffered by the Government by reason of breach by the party of any of the terms or conditions of the said Scheme. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under these presents.

3. We undertake to pay to the Government any money so demanded, notwithstanding any dispute or disputes raised by the party in any suit or proceeding pending before any court or Tribunal relating thereto and our liability under these presents is absolute and unequivocal.

4. We, _____ (indicate the name of Bank) further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the scrip(s) and that it shall continue to be enforceable till all the obligations of the party under or by virtue of the scrip(s) have been fully discharged to the satisfaction of the Government or till Jt.DGFT/Dy.DGFT, or any Regional Authority for the time being authorised to perform the duties of Jt.DGFT/Dy.DGFT, Ministry of Commerce, New Delhi certifies that the terms and conditions of the scrip(s) have been fully and properly carried out by the party and accordingly discharges this guarantee. Provided, however, unless a demand or claim under this guarantee is made on us in writing on or before the _____ **, we shall be discharged from all liability under this guarantee thereafter.

5. We _____ (indicate the name of bank), further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder (i) to vary any of the terms and conditions of the scrip(s) and modify the said scheme from time to time or (ii) to extend time of performance by the said party from time to time or to postpone for any time or (iii) from time to time any of the powers exercisable by the Government against the said party and to forbear or enforce any of the terms and conditions relating to the scrip(s) and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said party, or for any forbearance, act or omission on the part of the Government, or any indulgence by the Government to the scrip holder, 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.

That this shall be a continuing Bank Guarantee and shall not be discharged by any change in the constitution of the party or of the Bank.

That the guarantor shall not revoke the guarantee without prior written consent of the Government.

"Dated the _____ day of _____ year _____ for _____
_____ indicate the name of the Bank)"

- Note:**
1. BG/LUT shall be as per paragraph 2.20 of HBP v.1.
 2. * DEPB under Chapter 4/Specific Transferable Incentive Scheme under Chapter 3 of FTP.
 3. ** "The Bank Guarantee shall be valid till the expiry of the time period of 24 months from the date of export (Let Export Order Date). In case of a number of S/Bs filed against one application under DEPB Scheme / Incentive Scheme, 24 months time period shall be from the LEO date of latest S/B. In case of Revolving BG, the BG shall remain valid till all the obligations of the party are fulfilled to the 'Full' and 'Final' satisfaction of the Govt. as per policy and till such written consent is communicated to the party or the Guarantor, as the case may be."