

FORMAT OF BANK GUARANTEE BOND

1. In consideration of the HINDUSTAN AERONAUTICS LIMITED, TRANSPORT AIRCRAFT DIVISION, Kanpur (hereinafter called as HAL) having agreed to exempt _____ (hereinafter called "The said Contractor(s)") from the demand, under the terms and conditions of an Agreement dated _____ made between _____ for _____ (hereinafter called "the said Agreement"), of Security Deposit for the due fulfillment by the said Contractor(s) of the terms and conditions contained in the said Agreement, on production of a Bank Guarantee for Rs _____ (Rupees _____ Only), We _____ (hereinafter referred (indicate the name of the bank) to as "the bank" at the request of _____ [contractors]) do hereby undertake to pay to the HAL an amount not exceeding Rs _____ against any loss or damage caused to or suffered or would be caused to or suffered by HAL by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said Agreement.

2. We _____ (indicate the name of the bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from HAL stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by HAL reason of breach by the said contractor(s) failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs..... The Bank guarantee shall remain unconditional and the Bank shall honour the same irrespective of any dispute between the HAL and the Contractor.

3. The HAL will have right to transfer & assign the Bank Guarantee at as per his wish and desire to which the Bank will have no objection. This Bank Guarantee is not an outcome of any fraud or undue influence of any kind.

4. We undertake to pay to the HAL an amount not exceeding so demanded notwithstanding any dispute or disputes raised by the contractor(s)/ supplier(s) in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this guarantee being absolute and unequivocal.

5. 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 said Agreement and that it shall continue to be enforceable till all the dues of HAL under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till HAL certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges this guarantee.

6. We, _____(indicate the name of bank) further agree with HAL that the HAL 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 Agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by HAL against the said contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said contractor(s) or for any forbearance, act or omission on the part of the Government or any indulgence by HAL to the said contractor(s) 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.

7. We _____(indicate the name /of bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of HAL in writing and agree that any change in the constitution of the said contractor(s) / Suppliers(s) or the said Bank shall not discharge the Bank of its liability under this deed.

8. This Bank Guarantee will be valid for 12 months i.e. up to _____.The validity of Bank guarantee will automatically stand extended for further period, for which the contractor requested HAL for extension of time period for completion beyond the originally scheduled delivery date(s).

9. Dated _ the _____ day of _____ for _____(indicate the - name of the bank).