FORMAT OF PERFORMANCE BANK GUARANTEE

<div style="border: 1px solid black;">

STAMP PAPER WORTH OF
Rs.100/- (NON-JUDICIAL)

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PERFORMANCE BANK GUARANTEE
To be stamped in accordance with Indian Stamp Act)

Bank Guarantee No. _____   Date : _____
Valid upto_____   **Amount : _____**

To
The National institute of Ocean Technology
Velachery-Tambaram Road, Pallikaranai
Chennai – 600 100

Dear Sir,

In consideration of NATIONAL INSTITUTE OF OCEAN TECHNOLOGY, having its office at Velachery-Tambaram Road, Pallikaranai , Chennai – 600 100, (hereinafter referred to as NIOT, which expression shall unless repugnant to the context or meaning thereof be deemed to include their successor interest and assigns on the one part having awarded the deployment works in favour of   having registered office at

                        (hereinafter referred to as the CONTRACTOR), which expression shall unless repugnant to the context or meaning thereof include its successors, administrators, representatives and assigns, on the other part, by signing an agreement no. NIOT/S&P…………………..on   hereinafter referred as the AGREEMENT for the execution of the works on terms and conditions set out interalia in the AGREEMENT mentioned above as "CONTRACT" documents, valued at   Rs. (Rupees   ) the same having been unequivocally accepted by the CONTRACTOR and the CONTRACTOR having agreed to provide a performance bank guarantee for the obligations/liabilities under the contract equivalent to _____% of the said value of the Contract to the PURCHASER NIOT amounting to Rs………….. (Rupees   ) as Warranty/ Guarantee security in the form of a Bank Guarantee.

2.0. We hereinafter referred to as 'The Bank' which expression, shall unless repugnant to the context or meaning thereof, include its successors, administrators, representatives and assignees do hereby irrevocable guarantee and undertake to pay the PURCHASER NIOT, MERELY ON DEMAND WITHOUT any previous notice and without any demur and without referring to any other source, any and all monies payable by the CONTRACTOR by reason of any breach by the said CONTRACTOR of any of the terms and conditions of the said CONTRACTOR including non-execution of the "CONTRACT AGREEMENT" to the extent of _____ % of the Contract price upto   . Any such demand made by the Purchaser NIOT on the Bank shall be conclusive and binding absolute and unequivocal not withstanding any difference between the NIOT and the CONTRACTOR or any dispute or disputes raised/pending before any court, tribunal, Arbitrator or any other authority.

The Bank agrees that the guarantee herein contained shall continue to be enforceable till this sum due to the NIOT is fully paid and claims satisfied or till the NIOT discharges this guarantee.

3.0 The Bank further irrevocably guarantees and undertakes to pay any and all monies due and payable by the CONTRACTOR by reasons of non-fulfillment of any of the following obligations.

3.1. In the event of failure by the CONTRACTOR to satisfactory execute the works meeting the schedule and in complying with the provisions of the agreement.

4.0. The NIOT shall have the fullest liberty without affecting in any way the liability of the Bond under this guarantee, from time to time, to extend the time of performance by the CONTRACTOR. The bank shall not be released form its liabilities under these presents by any exercise of NIOT of the liberty with reference to the matter aforesaid.

5.0. The NIOT shall have the fullest liberty, without affecting this guarantee to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the CONTRACTOR and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants contained or implied in the agreement between NIOT and the CONTRACTOR or any other course of remedy or security available the NIOT and the bank shall not be released of its obligations / liabilities under these presents by any exercise by NIOT of his liberty with

reference to the matters aforesaid or any of them or by reasons of any other act of forbearance or other acts of omission or commission on the part of NIOT or any other indulgence shown by NIOT or by any other matter or thing whatsoever which under law would, but for this provision, have the effect of relieving the Bank Guarantee. The Bank further undertakes not to revoke this guarantee during its currency without the previous consent of NIOT.

6.0   The Bank further agrees that the decision of NIOT as to the failure on the part of the CONTRACTOR to fulfill their obligations as aforesaid and/or as to the amount payable by the Bank to NIOT hereunder shall be final, conclusive and binding on the Bank.

7.0.   The Bank also agrees that NIOT shall be entitled at his opinion to enforce this guarantee against the Bank as a principal debtor, in the first instance not withstanding any other security or guarantee that it may have relations to the CONTRACTOR'S liabilities.

8.0.   This guarantee will not be discharged due to the change in the constitution of the Bank or the CONTRACOR.

9.0.   Notwithstanding anything contained hereinabove, our liability under this bank guarantee shall not exceed Rs.   (   ). This bank guarantee shall be valid upto   . It is a condition to our liability for payment of the guarantee amount or any part thereof arising under this bank guarantee that we receive a valid return claim or demand for payment under this bank guarantee on or before   , failing which our liability under this bank guarantee will automatically cease.

10.0   We further confirm that this Guarantee has been issued with the approval of the appropriate Exchange Control Authorities in _____(if required) and that the issue of this guarantee is in order and in accordance with the Laws and Regulations in force in _____.

11.0   We also agree that this Guarantee shall be governed by and construed in accordance with Indian Laws.

Dated this _____day of _____200__ at _____

Yours faithfully

(Signature)

WITNESS No.1

Name in full

(Signature with full name and Designation)

_____

Date

 (address)

WITNESS No.1

Name in full

(Signature with full name and Designation)

_____

Date

 (address)