

PROFORMA OF BANK GUARANTEE

(On non-judicial paper of appropriate value)

To,

Indian Institute of Technology (IIT),

Delhi-110016 India

BANKS GUARANTEE NO:

DATE:

Dear Sir(S)

This has reference to the Purchase Order No. _____ Dated _____ been placed by Indian Institute of Technology (IIT), Delhi – , India on M/s _____ (Name & Address of vendor) for supply, installation, commissioning and warranty of _____ (description of items) at client's site.

The conditions of this order provide that the vendor shall,

1. Arrange to deliver the items listed in the said order to the consignee, as per details given in said order, and
2. Arrange to install and commission the items listed in said order at client's site, to the entire satisfaction of IIT Delhi and
3. Arrange for the comprehensive warranty service support towards the items supplied by vendor on site in IIT Delhi as per the warranty clause in said purchase order.

M/s (Name of Vendor) has accepted the said purchase order with the terms and conditions stipulated therein and have agreed to issue the performance bank guarantee on their part, towards promises and assurance of their contractual obligations vide the Supply Order No. _____ M/s. _____ (name of vendor) holds an account with us and has approached us and at their request and in consideration of the promises, we hereby furnish such guarantees as mentioned hereinafter. IIT Delhi shall be at liberty without reference to the Bank and without affecting the full liability of the Bank hereunder to take any other undertaking of security in respect of the suppliers obligations and / or liabilities under or in connection with the said contract or to vary the terms vis-a – vis the supplier or the said contract or to grant time and or indulgence to the supplier or to reduce or to increase or otherwise vary the prices or the total contract value or to forebear from enforcement of all or any of the obligations of the supplier under the said contract and/or the remedies of IIT Delhi under any security (ies) now, or hereafter held by IIT Delhi and no such dealing(s) with the supplier or release or forbearance whatsoever shall have the effect of releasing the bank from its full liability of IIT Delhi hereunder or of prejudicing right of IIT Delhi against the bank.

This undertaking guarantee shall be a continuing undertaking guarantee and shall remain valid and irrevocable for all claims of IIT Delhi and liabilities of the supplier arising up to and until _____ (date).

This undertaking guarantee shall be in addition to any other undertaking or guarantee or security whatsoever the that IIT Delhi may now or at any time have in relation to its claims or the supplier's obligations/liabilities under and / or in connection with the said contract and IIT Delhi shall have the full authority to take recourse to or enforce this undertaking guarantee in preference to the other undertaking or security (ies) at its sole discretion and no failure on the part of IIT Delhi in enforcing or requiring enforcement of any other undertaking or security shall have the effect of releasing the bank from its full liability hereunder.

We _____ (Name of Bank) hereby agree and irrevocably undertake and promise that if in your (IIT Delhi) opinion any default is made by M/s _____ (Name of Vendor) in

performing any of the terms and /or conditions of the agreement or if in your opinion they commit any breach of the contract or there is any demand by you against M/s _____ (Name of Vendor), then on notice to us by you, we shall on demand and without demur and without reference to M/s _____ (Name of Vendor), pay you, in any manner in which you may direct, the amount of Rs. _____/- (Rupees _____ Only) or such portion thereof as may be demanded by you not exceeding the said sum and as you may from time to time require. Our liability to pay is not dependent or conditional on your proceeding against M/s _____ (Name of Vendor) and we shall be liable & obligated to pay the aforesaid amount as and when demanded by you merely on an intimation being given by you and even before any legal proceedings, if any, are taken against M/s _____ (Name of Vendor).

The Bank hereby waives all rights at any time inconsistent with the terms of this undertaking guarantee and the obligations of the bank in terms hereof shall not be anywise affected or suspended by reason of any dispute or disputes having been raised by the supplier (whether or not pending before any arbitrator, Tribunal or Court) or any denial of liability by the supplier or any order or any order or communication whatsoever by the supplier stopping or preventing or purporting to stop or prevent payment by the Bank to IIT Delhi hereunder.

The amount stated in any notice of demand addressed by IIT Delhi to the Bank as claimed by IIT Delhi from the supplier or as suffered or incurred by IIT Delhi on the account of any losses or damages or costs, charges and/or expenses shall as between the Bank and IIT Delhi be conclusive of the amount so claimed or liable to be paid to IIT Delhi or suffered or incurred by IIT Delhi, as the case may be and payable by the Bank to IIT Delhi in terms hereof.

You (IIT Delhi's) shall full liberty without reference to us and without affecting this guarantee, postpone for any time or from time to time the exercise of any of the powers and rights conferred on you under the contract with the said M/s _____ (Name of Vendor) and to enforce or to forbear from endorsing any power or rights or by reason of time being given to the said M/s _____ (name of Vendor) which under law relating to the sureties would but for the provisions have the effect of releasing us.

You will have full liberty without reference to us and without affecting this guarantee, postpone for any time or from time to time the exercise of any of the powers and rights conferred on you under the contract with the said M/s _____ (Name of Vendor) and to enforce or to forbear from endorsing any power or rights or by reason of time being given to the said M/s _____ (Name of Vendor) which under law relating to the sureties would but for the provisions have the effect of releasing us.

Your right to recover the said sum of Rs. _____/- (Rupees _____ only) from us in manner aforesaid will not be affected/ or suspended by reason of the fact that any dispute or disputes have been raised they said M/s _____ (Name of Vendor) and/ or that any dispute or disputes are pending before any officer, tribunal or court or Arbitrator.

The guarantee herein contained shall not be determined or affected by the liquidation or winding up, dissolution or change of constitution or insolvency of the said M/s _____ (Name of Vendor) but shall in all respects and for all purposes be binding and operative until payment of all dues to IIT Delhi in respect of such liability or liabilities.

Our liability under this guarantee is restricted to Rs. _____/- (Rupees _____ Only). Our guarantee shall remain in force until unless a suit action to enforce a claim under guarantee is filed against us within six months from (which is date of expiry of guarantee) all your rights under the said guarantee shall be forfeited and we shall be relieved and discharged from all liabilities there under.

We have power to issue this guarantee in your favour under Memorandum and Articles of Association of our Bank and the undersigned has full power to do under the power of Attorney dated.

Notwithstanding anything contained herein:

- A. Our liability under this guarantee shall not exceed Rs _____ (in words)
- B. This bank guarantee shall be valid up to _____ & unless a suit for action to enforce a claim under guarantee is filed against us within six months from the date of expiry of guarantee. All your rights

under the said guarantee shall be forfeited and we shall be relieved and discharged from all liabilities there after i.e. after six months from the date of expiry of this Bank guarantee

C. We are liable to pay the guaranteed amount or any parts thereof under this bank guarantee only and only if you serve upon us a written claim or demand or before _____

D. the Bank guarantee will expire on _____

Granted by the Bank

Yours faithfully,

For (Name of Bank)

SEAL OF THE BANK

Authorised Signatory