

**PERFORMANCE SECURITY BOND CUM
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, Chennai (hereafter referred to as “NIOT” which expression shall unless repugnant to the context or meaning thereof, include all its successors, executors, administrators and assignees) and having entered into an Agreement dated NIOT/S&P/, dated ... (hereinafter referred to as “Contract” which expression shall include all amendments thereto) with M/s. _____ having its Head / Registered office at _____ (hereinafter referred to as “Contractor” which expression unless repugnant to the context or meaning thereof, shall include all its successors, executors, administrators and assignees) **and** the Agreement having been unequivocally accepted by the Contractor resulting into a contract bearing No for (Scope of Work) _____ and the NIOT having agreed that the Contractor shall furnish to the NIOT a Performance Guarantee for the faithful performance of the entire Contract (including but not limited to Liquidated Damages, Guarantee / Warranty Satisfactory Installation / Commissioning / Performance of the Equipment / Product / System / Services) and the CONTRACTOR having agreed to provide a performance bank guarantee for the obligations / liabilities under the contract as Warranty/ Guarantee security to the extent of 10% of the value of the Contract, _____ (in words), We _____(Bank) _____ having its Registered office at _____ (hereinafter referred to as “BANK” which expression shall

unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and **assignees**) do hereby undertake to pay on demand to the NIOT any money or 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 _____ (in words) in aggregate at any time without any demur, reservation, recourse, contest or protest and/or without any reference to the Contractor. Any such demand made by the NIOT on the BANK shall be conclusive and binding absolute and unequivocal notwithstanding any difference between the NIOT and the contractor or any dispute pending before any Court, Arbitrator, Tribunal or any other authority. We agree that Guarantee herein contained shall be Irrevocable and shall continue to be **enforceable** till it is discharged by the NIOT in writing.

1. The NIOT shall have the fullest liberty, without affecting in any way the liability of the BANK under the Guarantee, from time to time, to extend the time for performance of the Contract by the Contractor, or vary the terms, of the Contract. The NIOT shall have the fullest liberty without affecting this Guarantee to postpone, from time to time, the exercise power 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 forebear to enforce, any covenants contained **or** implied in the Contract between the NIOT and the Contractor or any other course or remedy or security available to the NIOT. The BANK shall not be released of its obligations / liabilities **under** these presents by any exercise by the NIOT of its **liberty** with reference to the matters aforesaid or any of them or by reason of any other action or forbearance or other acts of omission or commission on the part of the NIOT or any other indulgence shown by the NIOT.
2. The BANK also agrees that the NIOT at its option shall be entitled to enforce **this** Guarantee against the BANK as a principal debtor, in the first instance, without proceeding against Contractor & notwithstanding any security or other Guarantee that NIOT may have in relation to the Contractors liabilities.
3. The BANK further agrees that the Guarantee herein contained shall remain in full force during the period that is taken for the performance of the Contract and it

shall continue to be enforceable till all the dues of the NIOT under or by virtue of this Contract have been fully paid and its claims satisfied or discharged **or till the NIOT discharges the Guarantee in writing.**

4. We further agree that as between us and NIOT for the purpose of this Guarantee any notice given to us by the NIOT that the money is payable by the Contractor and any amount claimed in such notice by the NIOT shall be conclusive and binding on us notwithstanding any difference between the NIOT and the Contractor or any dispute pending before any Court, Tribunal, Arbitrator or any authority. We further agree that this Guarantee shall not be affected by any change in our Constitution or NIOT or that of the Contractor. We also undertake not to revoke this Guarantee during its currency.
5. Notwithstanding anything contained hereinabove, our liability under this Guarantee is limited to _____ (in words) in aggregate and it shall remain in full force upto one year from the date of commissioning **unless extended further, from time to time, for such as may be instructed in writing by M/s. _____ on whose behalf this Guarantee has been given, in which case it shall remain in full force upto one year from the date of commissioning and including 60 days after the extended date.** Any claim under this Guarantee must be received by us **or by our correspondent banks in India before the expiry of 60 days from _____ or before the expiry of the 60 days from the extended date, if any,** if no such claim has been received by us **or by our correspondent banks in India within the 60 days after the said date / extended date, the NIOT's right under this Guarantee will cease.** However if such a claim has been received by us **or by our correspondent banks in India within and upto 60 days after the said date / extended date,** all the NIOT's rights under this Guarantee shall be valid and shall not cease until we have satisfied that claim. **We further confirm that unless the Guarantee is renewed by the bank or discharged by NIOT or cancelled by the bank with the prior consent of NIOT, We shall treat a claim under this bank guarantee deemed to have been made by NIOT on us whether NIOT has served the claim notice or not on us.**

6. 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 _____.
7. 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.
8. We also agree that this Guarantee shall be governed by and construed in accordance with Indian Laws.
9. We further agree to extend / convert this Bank Guarantee for a further period of one year as Performance Guarantee towards fulfilment of the Contractual obligations under warranty commitments. On submission of a fresh bank Guarantee as per NIOT prescribed format and on acceptance in writing by NIOT this Bank Guarantee shall expire.

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.2

Name in full

(Signature with full name and Designation)

Date

(address)