

Format of Performance Bank Guarantee

HINDUSTAN AERONAUTICS LTD., AEROSPACE DIVISION (hereinafter called as HAL) have entered into Agreement/Contract/Order_____ (hereinafter called “the said Agreement/ the said Contract / the said Order”) with_____ [hereinafter called “the said contractor / Supplier(s)) for _____(indicate the scope of supply)

2 Where as under the terms of the said Agreement/Contract/Order, the contractor/ Supplier required to furnish Performance Bank Guarantee for_____ (indicate the amount in Rs/Foreign Currency) (_____ Only) towards the due fulfillment of the terms and conditions during the agreed time period or extension thereof , and also satisfactory performance of the items supplied to HAL during warranty period as per the warranty terms stipulated in the Agreement/Contract/Order

3 Accordingly We, _____(here in after referred (indicate the name of the bank) to us “the Bank”) at the request of _____ (Contractor/Supplier(s)) do hereby under take to pay HAL an amount not exceeding _____(indicate the amount in Rs / Foreign currency) on the failure of the Contractor/ Supplier(s) in performance of their obligations as per the terms and conditions of the Agreement/Contract /Order including the satisfactory performance of the item during warranty period as per the warranty terms stipulated in the Agreement / Contract/Order .

4. We _____(indicate the name of the bank) do hereby unreservedly , irrevocably undertake to pay the amounts due and payable under this guarantee without any demur , merely on demand from HAL within 10 days of such demand stating that the amount claimed is due by way of non performance / unsatisfactory Performance by the contractor with respect to the terms and conditions of the Agreement/Contract / Order including failure in satisfactory performance of the items supplied / services rendered under the warranty terms stipulated in the Agreement/ Contract/ Order . 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 _____(indicate the amount in Rs/ Foreign Currency).

5. We undertake to pay to HAL an amount not exceeding _____ (indicate the amount in Rs/ Foreign Currency) 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.

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

7. We, _____(indicate the name of bank) further agree with HAL that 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/Supplier(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/Supplier(s) and to forbear or enforce any of the terms and conditions relating to the said Agreement/Contract/Order and we shall not be relieved from our liability by reason of any such variation , or extension being granted to the said Contractor/Supplier(s) or for any forbearance , act or omission on the part of HAL or any indulgence by HAL to the said Contractor/Supplier(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.

8. 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 Contractors(s)/ Suppliers (s) or the said Bank shall not discharge the Bank of its liability under this deed.

9. The validity of Bank Guarantee shall be upto _____(dd/mm/yy) and such date shall cover the period of warranty of all the supplies and also the period of defect liability /warranty period for last batch of supplies. The Bank Guarantee shall remain valid for the period upto which the contractor/supplier is obliged for due performance of the said Agreement/Contract /Order including the warranty period

10. This Bank guarantee shall be governed by and constitute in accordance with Indian Law and shall be subject to exclusive Jurisdiction of Indian Courts.

11. Dated the _____ day of _____
for _____(indicate the name of Bank)