

INDEMNITY BOND

(To be executed on a Non-Judicial Stamp Paper of Rs.100/-)

THIS DEED OF INDEMNITY made this _____ day of _____, 200__.

BY

M/s. _____ a Public Company incorporated under the Companies Act, 1956 (Act I of 1956), and having its Registered Office at _____ (hereinafter referred to as the "Contractor" which expression shall include its successors and assigns where the _____ context _____ so _____ admits);

IN FAVOUR OF

GUJARAT NARMADA VALLEY FERTILIZERS COMPANY LIMITED, a Public Limited Company incorporated under the Companies Act, 1956 (Act 1 of 1956), having its Registered Office at P.O. Narmadanagar-392 015, Dist. Bharuch, Gujarat (hereinafter referred to as the "Company" which expression shall include its successors and assigns where the context so admits).

WHEREAS

1. The Company has placed a Purchase Order/issued Letter of Intent/Work Order for the purchase/manufacture/repair of equipment for its _____ Plant at its Fertilizer Project near Bharuch, Gujarat State on the terms and conditions set out in the said Purchase Order/Letter of Intent/Work Order No. _____ dated _____ and various documents forming part of the said Purchase Order/Work Order and the Contractor has accepted the said Purchase Order/Work Order by putting its endorsement below it to that effect/under its letter No. _____ dated _____. The said Purchase/Work Order duly accepted by the Contractor is hereinafter referred to as the "Contract".
2. Under the terms of the Contract, the Company has agreed to issue to the Contractor certain materials specified in the Contract for the purpose of execution of the Contract and the Contractor is required to receive the said material, keep at its factory at _____ in the trust for the Company and use it only for the purpose(s) mentioned in the Contract and ensure its safety and security while the said material is lying at its factory. The said material is hereinafter referred to as "Free Issue Material."
3. It is provided under the Contract that while the Free Issue Material is under the custody and charge of the Contractor, the Contractor shall keep the custody of and store the said Free Issue Material properly and protect it against theft, pilferage, damage, deterioration etc. and shall carry out the work

in terms of the Contract at its entire risk, cost and consequences and shall indemnify, keep indemnified and save harmless the Company against all losses or damage, deterioration caused to or suffered by the Company in respect of the Free Issue Material supplied to the Contractor by the Company and for the purpose, the Contractor is required to furnish an Indemnity Bond in the form and manner acceptable to the Company.

4. The Contractor has agreed to furnish such an Indemnity Bond to the Company being these presents which the Company has agreed to accept.

NOW THEREFORE THIS DEED OF INDEMNITY WITNESSETH as follows :

1. The Contractor shall receive Free Issue Material at its factory at _____ for the supply/manufacture/ fabrication/ repair of equipment as provided in the Contract and shall hold the same in safe custody and charge for and on behalf of, to the order of and in trust for the Company, get it insured, and protected against all risks, losses or damages by theft, pilferage, misappropriation, destruction, adulteration, deterioration, decomposition, misuse, mishandling, fire, flood, storm, earthquake, tempest, lightening, explosion, storage, chemical or physical action or reaction, blending, warping exposure, rusting, faulty workmanship, faulty fabrication or faulty method or technique of fabrication, strike, riot, civil commotion, wind, rain, moisture, accident, negligence, or by any act or omission, or by any other cause natural, human or otherwise whatsoever within or beyond the control of the Contractor, from the time the Contractor, receive Free Issue Material from the Company till the time the Contractor delivers to the Company manufactured/fabricated/repared equipment and/or surplus materials after providing, doing, keeping, carrying out and executing all its obligations under the Contract. The Contractor shall be responsible even if loss, damage etc. is due to it or its employee/agents, etc.

The Contractor shall not mix the Free Issue Material at its premises and shall keep the same separate and easily identifiable from any of its other materials and goods. The Contractor shall deal with and utilize the Free Issue Material

only for the purposes mentioned in the Contract and for no other purposes whatsoever. The Contractor shall return to the Company unutilized, surplus or balance of the Free Issue Material immediately after the purpose mentioned in the Contract is accomplished. The Contractor shall not transfer, part with or dispose off Free Issue Material by sale, gift, supply, delivery or otherwise howsoever to any other person/s, except as laid down in the Contract. The Contractor shall not mortgage, pledge or hypothecate the Free Issue Material with any other person or create any charge, security or lien against the Free Issue Material in favour of any other person. The Free Issue Material shall be open to inspection by the Company or by any of the person authorized by the Company.

2. In the event that any loss or damage is caused to or suffered by the Company in respect of the Free Issue Material as aforesaid for any reason howsoever, the Contractor shall indemnify, keep indemnified and save harmless the Company against all losses or damages caused to or suffered by the Company, in respect of the Free Issue Material supplied by the Company to the Contractor, against the value of Rs._____ (Rupees _____ only) and against all costs, charges, fees, expenses, claims, demands and interest whatsoever which the Company has to bear, pay, incur or suffer by reason of all or any of the aforesaid events, happenings or failure or in connection with the Company having to take out or institute any action or proceedings in respect of any of the aforesaid matters. The amounts of such losses, damages, market value, cost of procurements, costs, charges, fees, expenses, claims, demands, and interest shall be determined by the Company and shall be binding on, and shall not be open to any question by the Contractor. The Company shall be entitled to recover from the Contractor the amount of Rs._____ (Rupees _____ only) together with interest, costs, charges, expenses, fees or losses by adjustments against the amounts which may be due or payable to the Contractor by the Company under the Contract or under any other agreement, purchase order, work order, or otherwise howsoever, without reference to the Contractor and without prejudice to other rights or remedies which may be available or open to the Company.

3. The Liability of the Contractor shall not in any way be impaired or discharged by reason of any time being granted to the Contractor by the Company for the provision, doing, performance, execution, fulfillment, keeping and carrying out by the Contractor of all or any of its obligations and liabilities under the Contract in regard to performance, workmanship, defects, deficiencies of the work to be carried out by the Contractor or by reason of any forbearance, act or omission on the part of the Company.

IN WITNESS WHEREOF, the Contractor herein acting through its properly constituted representative thereunto duly authorized, has caused this Deed to be signed and executed in its name and on its behalf and delivered at the Registered Office of the Company on the day, month and year above written.

In the presence of

For and on behalf of

M/s.

Witnesses :

- 1.

AUTHORISED SIGNATORY