

(To be executed on a Non-Judicial Stamp Paper of Rs. 300/-)

**SECURITY DEPOSIT
BANK GUARANTEE**

SECURITY BOND

(For Performance of Obligations)

THIS SECURITY BOND made this _____ day of _____, 20_____

BY

_____ a Banking Company incorporated under the
_____ and having its Registered office at
_____ and a Branch office at
_____ (hereinafter referred to as the “Surety”).

IN FAVOUR OF

GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED, a company incorporated in the state of Gujarat under the Companies Act, 1956 (Act I of 1956) and having its Registered office at P.O. Narmadanagar – 392015, Dist. Bharuch, Gujarat (hereinafter referred to as “Purchaser”).

WHEREAS

(1) The Purchaser has issued a Purchase Order bearing No. _____ on the _____ day of _____ 20____ (hereinafter referred to as the contract) on M/s. _____ a _____ company incorporated in the state of _____ under the Companies Act, (Act I of 1956) having its Registered office at _____ (hereinafter referred to as the “Vendor”) which expression shall include its successors and permitted assigns where the context so admits) for the work and jobs described in the said Purchase Order.

(2)

OR

@The Purchaser has issued a Purchase Order No. _____ dated _____ on _____ Shri _____ (Name & Address of the Proprietor) carrying on business as Vendor in the name and style of _____ (hereinafter referred to as the "Vendor" which expression shall include his heirs, executors, administrators and assigns where the context so admits) for the work and job described in the said Purchase Order.

OR

@The Purchaser has issued a Purchase Order No. _____ dated _____ on _____ S/Shri _____ (Names of all Partners and their addresses) all jointly carrying on business as Vendor in partnership in the name and style of M/s. _____ a partnership firm having its principal place of business at _____ (hereinafter referred to as the "Vendor" which expression shall include all the partners for the time being and from time to time survivors of such partners, or their heirs, executors, administrators and assigns where the context so admits) for the work and jobs described in the said Purchase Order.

@ strike-out which is not applicable.

- (2) The said Purchase order has been accepted by the vendor by putting his/its endorsement at the bottom of the said Purchase Order on _____ day of _____ 20_____. The said Purchase Order duly accepted by the Vendor is hereinafter referred to as "Contract" and the work and jobs described therein are hereinafter referred to as "Let Work".
- (3) Under the provisions of the Contract, the Vendor is required to furnish at its cost to Purchaser, a Security Bond in the form of a Bank Guarantee, in the amount of Rs. _____ (Say Rupees _____ only), being the amount equivalent to _____ % (_____ percent) of the total amount of cost of the Let Work, namely Rs. _____ (Say Rupees _____ only) for due and faithful provision, doing, performance, execution, keeping, fulfilment, discharge and carrying out by the Vendor, of all its obligations and liabilities in time and manner as provided in the Contract and to the satisfaction of the Purchaser, and valid till the ninety days after the date of satisfactory completion and acceptance of the entire Let Work in all respects and till submission of the Workmanship Guarantee as provided in the Contract.
- (4) The Surety has at the request of the vendor agreed to issue this Security Bond as the irrevocable letter of Bank Guarantee in terms of the said Contract on behalf of the Vendor, and Purchaser has agreed to accept the same.

(3)

NOW THIS BOND WITNESSETH AND KNOW ALL MEN BY THESE PRESENTS that the Surety is hereby held and firmly bound unto the Purchaser in the sum of Rs. _____ (Say Rupees _____ only) to be paid to the Purchaser at its Registered office on first demand forthwith, without any demur, dispute or objection, for the payment of which sum well and truly to be made, the Surety hereby unconditionally and irrevocably binds itself, its successors, executors, administrators, assigns and transferees, firmly by these presents.

IT IS HEREBY STIPULATED AND AGREED that the Surety shall pay to the Purchaser as aforesaid at the Registered Office of the Purchasers, without any demur, dispute or objection, forthwith on receipt of a written request from the Purchaser notifying any breach, failure or default by or on the part of the vendor in providing, doing, performing, executing, fulfilling, keeping or carrying out any, each and every obligations and liabilities as agreed to between the Vendor and the Purchaser under the Contract or any loss or damage caused to or suffered by the Purchaser by reason of any breach, failure or default by or on the part of the Vendor in providing, doing, performing, executing, fulfilling, keeping or carrying out any, each and every of obligations and liabilities under and on the terms and conditions of the Contract. Such notifications of any breach, failure or default on the part of the Vendor or as to the loss or damage caused to or suffered by the Purchaser shall be binding and conclusive upon the Surety and will not be called in question for whatsoever reason by the Surety and / or the Vendor.

NOW THE CONDITION OF THIS OBLIGATION IS THAT if the vendor shall faithfully provide, do, perform, execute, fulfill, keep and carry out each and every of its obligations and liabilities under the Contract in time and manner provided therein and to the satisfaction of the Purchaser and shall furnish the Workmanship Guarantee as provided in the Contract, and the Purchaser shall certify that the claims or dues, if any, under or by virtue of the Contract are all fully paid, satisfied and discharged and / or the obligations, liabilities, terms and conditions under the Contract have been fully and properly provided, done, performed, executed, fulfilled, kept and carried out by the Vendor, and accordingly discharges this guarantee, then this obligation shall be null and void, otherwise the same remain in full force and virtue / effect.

The Purchaser shall be at full liberty without reference to the Surety and without affecting the guarantee given hereunder to postpone for any time or from time to time the exercise of any of the powers and rights conferred on the Purchaser under the Contract, or to enforce or to forbear from enforcing any such powers and rights, and the liability of the Surety hereunder shall not in any way be impaired or discharged by reason of any time being granted to the Vendor by the Purchaser for the provision, doing, performance, execution, fulfilment, keeping and carrying out by the Vendor of all or any of its obligations and liabilities under the Contract or by reason of any forbearance, act or omission on the part of the Purchaser, whether with or without the knowledge or consent of the Surety, nor it shall be necessary for the Purchaser to sue the Vendor before suing the Surety for the recovery of the amount hereunder.

The right of the Purchaser to recover the amount of this Security Bond from the Surety in the manner aforesaid shall not be affected by reason of the fact that any dispute or disputes have been raised by the Vendor with regard to its obligations, liabilities or otherwise under the Contract.

(4)

The Guarantee herein contained shall not be determined or affected by change in the constitution / ownership / or the liquidation or winding up or insolvency of the Vendor, and shall in all respects and for all intents and purposes remain in full force and effect and shall be binding and operative until payment of all moneys due to the Purchaser hereunder are fully paid of.

This is a continuing guarantee and the liability of the Surety hereunder is limited to Rs. _____ (Say Rupees _____ only).

This bond shall remain in full force and effect till and including the _____, 20____. Unless a claim or demand under this bond is filed with Surety within three months from the date of expiry of this bond i.e. by date _____, all rights of the Purchaser under this bond shall be forfeited, and the Surety shall be relived and discharged from all liabilities hereunder.

It is further specifically agreed and undertaken that the Surety shall not revoke, cancel or terminate this guarantee at any time during its currency without the prior written consent of the Purchaser. Upon expiration of the term of validity, this bond shall be regarded as ineffective and may be returned to the Surety.

Notwithstanding anything contained herein above, our liability under this guarantee is restricted to : Rs. _____ (Say Rupees _____ only). Our Guarantee shall remain in force until _____. Unless a claim under the Guarantee is made on us within three months from the date i.e. on or before _____ all the rights of the beneficiary under the guarantee shall be forfeited and the Surety will be relived and discharged from all liabilities hereunder.

IN WITNESS WHEREOF the Surety hereto acting through its properly constituted representative, thereunto duly authorized, has caused this Security Bond to be signed and executed in its name and on its behalf and delivered on the day, month and year first herein above written.

SIGNED SEALED AND DELIVERED

For and on behalf of

By the SURETY WITHINNAMED

SURETY