

INDEMNITY BOND

- 01 THIS DEED OF INDEMNITY made thisth day of, by M/s,
....., in favour of M/s BHARAT HEAVY ELECTRICALS LIMITED, PIPING CENTRE,
– 600017, having its Registered Office: BHEL House, Siri Fort, NEW DELHI – 110 049.
- 02 WHEREAS M/s. BHARAT HEAVY ELECTRICALS LIMITED (hereinafter called the “COMPANY”) is desirous to place a Purchase order (hereinafter called the “CONTRACTOR”) for fabrication on M/s, hereinafter called the “CONTRACTOR”) and the said fabrication shall be made from the raw materials made and to be made by the company in pursuance of the Contract.
- 03 AND WHEREAS one copy of the conditions precedent for placing such contract is that the contractor shall furnish the company an Indemnity Bond to an extent of Rs: /- (Rupees Only) in lieu of Cash/Bank Guarantee towards the security deposit for the raw materials supplied and to be supplied in pursuance of the contract and also for the satisfactory performance and completion of work and of the terms and conditions of the said Contract.
- 04 NOW, THEREFORE, these present witness that we M/s, by the hand of the Shri. its lawfully and duly constituted attorney, do hereby undertake to pay without demur to the afore said company a sum of Rs...../- (Rupees Only) on demand being made by the said company indemnified to the extent of Rs...../- By virtue of this Indemnity against any loss/damage caused to / suffered by the said company, by reason of any breach by the afore said contractor of any of the terms and conditions, or for any other reasons not attributable to the company (The decision regarding the breach, loss, damage or payment due being solely in the discretion of the said company). We undertake to indemnify the said loss/damage and we further undertake to pay the aforesaid amount in lump sum on demand without demur or such part thereof as the company may demand from time to time. The liability shall obligation of the contract under this indemnity shall not be affected or suspended or superseded by any dispute(s) between the company and the contractor and the payment under this indemnity would not wait till the disputed have been decided by any court or Tribunal or in the Arbitration proceedings or by any other authority.
- 05 The contractor shall be Responsible for the safe custody and protection of the raw materials that been supplied and to be supplied by company under the contract against all risks till they are delivered back as finished products to BHEL. As per terms and conditions of contract or as they may direct and until such time the contractor shall hold the raw

materials in trust for BHEL. The raw materials shall always remain the property of company and the contractor shall indemnify BHEL against the loss, damage or deterioration whatsoever in respect of the said raw materials while in the possession of the Contractor. The materials of BHEL should always be open for inspection by any officer authorized by BHEL. The liability under this indemnity is a continuing one covering the entire contract and should any loss or damage occur on account of the breach of the terms and conditions of the said contract by the contractor or should any surplus raw materials become due to the company under the contract and remains undelivered to the company, the contractor shall indemnify the company for loss/damage for the value of raw materials to an extent of Rs...../- (Rupees Only) and this is without prejudice to any other remedies which may be otherwise available to the company by deduction from any sum due or any sum which at any time hereinafter become due from the contractor under this or any other contract.

- 06 THE AFORESAID Indemnity will remain in full force and shall be liable under the same, irrespective of any extension of time being granted by the said company to the contractor in or for fulfilling the said contract between contract and the company and the Indemnity will remain in full force irrespective of any change of terms, conditions or stipulations or any variations in the terms of the said contract and the claim to receive notice or any change and/or variation of the terms and/or conditions of the said contracts hereby specifically waived by us. Further, we shall not be released from this Indemnity by any forbearance or the exercise of any of the power/or rights under the said contract by the said company against the contractor.
- 07 THE Indemnity herein contained shall not be determined or affected by the liquidation or winding up or insolvency of or change in the constitution of the contractor but shall in all respects and for all purpose by binding and operative until all payments of all moneys due or that may hereinafter become due to the said company are settled irrespective of any liability or obligation of the contractor under the said contract(s).
- 08 We, further agree that the Indemnity herein contained shall remain in full force and effect during the period that would be taken, for the performance of the said contract and that it shall continue to the enforceable till the dues of the company under or by virtue of the said contract have been fully paid and its claims satisfied or discharged or till the company certifies that the terms and conditions of the said contract have been fully and properly carried out by the said contractor and accordingly discharges the Indemnity, subject, however, to the condition that the company shall have no rights under this Indemnity unless a claim or demand in writing in respect of this Indemnity has been preferred by the company with the contractor on or before But where such a claim or demand has been preferred by the company with the contractor before the expiry of the said date, the claim shall be enforceable notwithstanding the fact that the said enforcement is effected after the said date.

- 09 This indemnity is subject to jurisdiction only.
- 10 AND lastly, the contractor undertakes not to revoke this Indemnity during its currency except with the previous consent of company in writing.
- 11 The contractor declares that it has powers to issue this Indemnity under their memorandum and Articles of Association and the undersigned has full powers to do so on its behalf granted to him by the proper authorities of the contractor.

Dated thisth day of

Witnesses:
(Signature & Address

SIGNATURE AND SEAL OF THE FIRM

1.

2.