

PROFORMA FOR BANK GUARANTEE

Bank Guarantee for FM Community Radio Station at _____

To;
The President of India
Acting through Ministry of Information & Broadcasting
Shastri Bhavan
New Delhi – 110 001

In consideration of the President of India acting through Ministry of Information & Broadcasting (the **Grantor**) having received an application for Grant of Permission to _____*(Name and address of **Permission Holder**) to establish, maintain and operate FM Community Radio Station at _____ on the terms and conditions of the application and the **Grant of Permission Agreement** to be executed between the **Grantor** and the **Permission holder** _____, (hereinafter called '**GOPA**') wherein it has been stipulated that the **Permission Holder** shall furnish to the **Grantor**, a Bank Guarantee from a scheduled Bank for the sum specified therein as security for the due observance and performance of the terms and conditions of the said **Permission**, if granted subject to fulfillment of eligibility conditions laid down by the **Grantor**. WHEREAS we _____Bank, (indicate the name, address and other particulars of the Bank) which expression shall, unless repugnant to the context or meaning thereof, include all our successors, administrators and executors, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1970 (hereinafter referred to as 'the Bank') having its Head Office at _____ and a branch office amongst other places at _____ hereby irrevocably and unconditionally guarantee to the **Grantor** that the **Permission Holder** which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and assignees shall render all the necessary services in accordance with the terms and conditions of the **Permission**, if granted, and which may be required for and in connection with the said **Permission** and performance thereof to the satisfaction of the **Grantor**.

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the **Permission Holder** up to a total Rs 25,000/- (Rs. Twenty-five Thousand only) payable and we undertake to pay you immediately, upon your first written demand and without cavil, demur, argument, reservations, recourse, contest or protest any sum or sums within the limits of Rs 25,000/- (Rs. Twenty-five Thousand only) as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein and/or without any reference to the **Permission**. Further, any such demand made by the **Grantor** on the bank shall be conclusive and binding notwithstanding any difference between the **Grantor** and the **Permission Holder** any dispute pending

before any court arbitrator or any other matter whatsoever. This guarantee shall not be determined/discharged/affected by the liquidation, winding up, dissolution or insolvency of the **Permission Holder** and will remain valid, binding and operative against the Bank”.

We, the Bank, do hereby agree that the decision of the **Grantor** as to whether the **Permission Holder** has failed to or neglected to perform or discharge his duties and obligations as aforesaid and/or whether the service is free from deficiencies and defects and is in accordance with or not of the terms and conditions of the said **Permission** and as to the amount payable to the **Grantor** by the Bank hereunder, shall be final and binding on the Bank.

We hereby waive the necessity of your demanding the said debt from the **Permission Holder** before presenting us with the demand and guarantee that we are the primary obligee and not just the surety of the **Permission Holder** and **Grantor** shall be entitled to enforce this guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the **Permission Holder**.

We further agree that no change or addition to or other modification of the terms of the **Permission** or of the works to be performed there under or of any of the **Permission** documents shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification, etc.

We _____ Bank, do hereby declare and agree that:

(a) The Guarantee herein contained shall remain in full force and effect till the expiry of the **Permission** period of five years. It shall also continue to be enforceable till all the dues of the **Grantor** under and by virtue of the said **Permission** have been duly paid and its claims satisfied or discharged or till **Grantor** informs that all the terms and conditions of the said **Permission** have been fully and properly carried out by the said **Permission Holder** and accordingly discharged this guarantee.

(b) The **Grantor** shall have the fullest liberty without our consent and without discharging in any manner our obligations hereunder to vary any of the terms and conditions of the said **Permission** or to extend time of performance of any obligations by the said **Permission Holder** from time to time or to postpone for any time or from time to time any of the powers exercisable by the **Grantor** against the said **Permission Holder** and to forbear or to enforce any of the terms and conditions relating to the said **Permission** and we shall not be relieved from our liability by reasons of any variation or extension being granted to the said **Permission Holder** or forbearance act or omission on the part of the **Grantor** or any indulgence by the **Grantor** to the said **Permission Holder** or to give such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

(c) Any claim which we have against the **Permission Holder** shall be subject and subordinate to the prior payment and performance in full of all the obligations of us hereunder and we will not without prior written consent of the **Grantor** exercise any legal right or remedy of any kind in respect of any such payment or performance so long as the obligations of us hereunder remains owing and outstanding;

(d) This guarantee shall be irrevocable and the obligations of us herein shall not be conditional of any prior notice by us or by the **Permission Holder**. We further agree that this guarantee shall not be affected by any change in our constitution, the constitution of the **Permission Holder** or that of the **Grantor**.

(e) The Bank will not revoke the guarantee during the currency except with the previous consent of the **Grantor**;

The bank under its constitution power gives this guarantee and Sh. _____ who has signed on behalf of the bank is duly authorised to execute this guarantee.

This guarantee shall not be discharged or affected due to any change in the name, constitution or address of the bank or **Permission Holder**.

This guarantee shall be valid for a period of five years from this date and until 28 days after the date of issue of the Defect Liability Certificate by the _____.

DATE _____

SIGNATURE FOR AND SEAL OF THE GUARANTOR

NAME OF BANK _____

ADDRESS _____

In the presence of:

Witnesses:
(Name and Occupation)

1. _____

2. _____