

## **FORMAT FOR PERFORMANCE BANK GUARANTEE FOR TELEPORTS**

Bank Guarantee for Teleports at \_\_\_\_\_[Location of Teleport(s)]

In consideration of the President of India acting through Under Secretary (INSAT) the Ministry of Information & Broadcasting (hereinafter called the "Ministry") having agreed to issue Permission to M/S \_\_\_\_\_ \*[Name and address of Permitted Teleport Operator] (hereinafter called "the Applicant") to comply with the prescribed obligations for executing the Grant of Permission Agreement (thereinafter the Applicant shall be called "the Permission Holder") to establish, maintain and operate Teleport(s) at \_\_\_\_\_[Provide the location(s)], wherein it has been stipulated that the Permission Holder shall furnish to the Ministry with a Bank Guarantee from a Scheduled Bank for the sum specified therein as security for the due observance and performance of the obligations as per the terms and conditions of the Grant of Permission Agreement to be executed between the Ministry on behalf of the President of India and Permission Holder i.e. M/s -----.

WHEREAS we \_\_\_\_\_ Bank, [indicate the name, address and other particulars of the Bank], 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 \_\_\_\_\_[Indicate the branch from where the PBG is being issued] has agreed to irrevocably and unconditionally guarantee to the Ministry that the Permission Holder shall render all the necessary services in accordance with the terms and conditions of the Grant of Permission Agreement and which may be required for and in connection with the said Permission and performance thereof to the satisfaction of the Ministry.

NOW THEREFORE we, the Bank, hereby affirm that we are the Guarantor and responsible to you, on behalf of the Permission Holder M/s ----- up to a total \_\_\_\_\_ [Rs. 25 lakh for each teleport being the Amount of Guarantee] \_\_\_\_\_ [in words] payable, and we undertake to pay you, upon your first written demand and without cavil, demur or argument, any sum or sums within the limits of \_\_\_\_\_[Rs. 25 lakh for each Teleport being the Amount of Guarantee] as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified herein.

We, the Bank, do hereby agree that the decision of the Ministry 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 not free from deficiencies or defects or not is in accordance with the terms and conditions of the said Permission and as to the amount payable to the Ministry by the Bank hereunder, shall be final and binding on the Bank. Any dispute between the Ministry and the said Permission Holder shall not affect our obligation under this guarantee.

We hereby waive the necessity of your demanding the said debt from the Permission Holder before presenting us with the demand and acknowledge that we are the primary obligee and not just the surety of 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 related 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.* It shall also continue to be enforceable till all the dues of the Ministry under and by virtue of the said Permission have been fully paid and its claims satisfied or discharge or till Ministry 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 Ministry 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 Ministry 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 reason of any variation or extension being granted to the said Permission Holder or forbearance act or omission on the part of the Ministry or any indulgence by the Ministry 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 Ministry exercise any legal right or remedy of any kind in respect of any such payment or performance so long as our obligations hereunder remain 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.
- (e) The Bank will not revoke the guarantee during the currency except with the previous consent of the Ministry.

The bank under its constitution power gives this guarantee and Sh. \_\_\_\_\_ [provide name of the officer of the bank who will sign this BG] 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 the Permission Holder.

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

In special cases, this guarantee shall be renewed at least one month prior to the expiry of each two years' term.

SIGNATURE AND SEAL OF THE GUARANTOR \_\_\_\_\_

NAME OF BANK \_\_\_\_\_

ADDRESS \_\_\_\_\_

\_\_\_\_\_

PIN CODE \_\_\_\_\_

CITY \_\_\_\_\_

STATE \_\_\_\_\_

DATE \_\_\_\_\_

**Witnesses:**

In the presence of:

1. \_\_\_\_\_  
[Name and Occupation]

2. \_\_\_\_\_  
[Name and Occupation]