BANK GUARANTEE FORMAT

To,

The President of India

(acting through the Director General of Foreign Trade)

In consideration of the President of India, acting through the Director General of Foreign Trade (which expression shall be deemed to include the Joint Director General of Foreign Trade/Deputy Director General of Foreign Trade), or any other authority for the time being authorised to perform the duties of Joint Director General of Foreign Trade/Deputy Director General of Foreign Trade), Ministry of Commerce, Government of India, New Delhi (hereinafter referred to as the Government) having agreed to grant to M/s._____(full expanded name, e-mail I.D, Phone No./Fax. No. of the Importer/Exporter with complete address) (hereinafter referred to as Importer/Exporter) an Authorisation bearing No._____ dt._____ (hereinafter referred to as authorisation for the import of the goods mentioned therein) for a value of Rs._____ (Rupees _____ only) under the_____ Scheme (fill up the actual Scheme) notified by the Government under the Foreign Trade Policy 2015-20 as may be amended from time to time (hereinafter referred to as scheme) on the terms and conditions specified in the said Authorisation which term inter alia stipulates production of a Bank guarantee for Rs._____ (Rupees_____only). We _____ (indicate the name, e-mail I.D, Phone No./Fax. No and full address and other particulars of the Bank) (hereinafter referred to as Bank) at the request of the Importer/Exporter do hereby unconditionally and irrevocably undertake to pay the Government an amount not exceeding Rs._____ against any loss or damage caused to or suffered by the Government by reason of any failure on the part of the said Importer/ Exporter of any of the terms or conditions contained in the said Authorisation including the export obligation mentioned therein.

2. We _____ (indicate the name of Bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur or protest, merely on a demand from the Government stating that the amount claimed is due by way of loss or damage caused or suffered by the Government by reason of breach by the Importer/Exporter of any of the terms or conditions of the said Authorisation. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under these presents.

3. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Importer/Exporter in any suit or proceeding pending before any court or Tribunal relating thereto and our liability under these presents being absolute and unequivocal.

4. We,_____(indicate the name of Bank) further agree that the guarantee herein contained

shall remain in full force and effect during the period that would be taken for the performance of the said

Authorisation and that it shall continue to be enforceable till all the obligations of the Importer/Exporter under or by virtue of the said Authorisation have been fully discharged to the satisfaction of the Government or till Jt.DGFT/Dy.DGFT, or any Licensing authority for the time being authorised to perform the duties of

Jt.DGFT/Dy.DGFT, Ministry of Commerce, New Delhi certifies that the terms and conditions of the said Authorisation have been fully and properly carried out by the Importer/Exporter and accordingly discharges this guarantee. Provided, however, unless a demand or claim under this guarantee is made on us in writing on or before the _____. We shall be discharged from all liability under this guarantee thereafter.

5. We _____ (indicate the name of bank), further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder (i) to vary any of the terms and conditions of the said Authorisation and modify the said scheme from time to time or (ii) to extend time of performance by the said Importer/Exporter from time to time or to postpone for any time or (iii) from time to time any of the powers exercisable by the Government against the said Importer/Exporter and to forbear or enforce any of the terms and conditions relating to the said Authorisation and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Importer/Exporter for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said Authorisation holder or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

That this shall be a continuing Bank Guarantee and shall not be discharged by any change in the constitution of the importer/exporter or of the Bank.

That the guarantor will not revoke the guarantee without prior written consent of the Government.

"Dated the_____day of_____year_____ for _____

indicate the name of the Bank)"

(Signature)_____

_____

(Name & Designation of the Bank officer

with employee code & complete address)

Accepted by me on behalf of the President of India.

(   )

Asstt. DGFT/ Foreign Trade Development Officer

NOTE : A) In case of EPCG authorization:

 "The Bond/BG shall be filed for a minimum period of three years with an undertaking to keep the BG alive for 18 months beyond the entire period of export obligation ."

B) In case of advance authorization/DFIA:

Note: "The Bond/ BG shall be filed for a minimum period of three years with an undertaking to keep

the BG alive for the entire period of export obligation viz., 6+2 = 8 years"

Wherever Bank Guarantee is issued with (a) additional Note withstanding clause or (b) Bank Guarantee is submitted for lesser period than 6+2=8 years, Bank Guarantee should be furnished with the following additional conditions.

01. Our liability under this Bank Guarantee is restricted to Rs._____ (Rupees _____) valid up to _____ and shall be automatically renewed thereafter by us and kept alive till the department approves for cancellation of Bank Guarantee.

02. Our liability under this Bank Guarantee shall not exceed Rs._____ (Rupees _____) only.

03. And we undertake to renew the Bank Guarantee at our own from time to time until any directions by the department.

04. Notwithstanding anything contrary contained in any law for the time being in force or banking practice, this guarantee shall not be assignable or transferable by the beneficiary. Notice or invocation by any person such as assignee, transferee or agent of beneficiary shall not be entertained by the bank. Any invocation of guarantee can be made only by the beneficiary directly.