

No.RW/NH-33045/3/90-D III

Dated, the 26th August, 1993

To

Secretary State PWDs; Chief Engineers dealing with National Highways of State PWDs

Subject: Engagement of Consultants for carrying out services in respect of National Highway works

I am directed to enclose herewith a copy of the standard format of 'contract agreement' for entering into agreement with consultants. The document has been got approved by the Union Ministry of Law and Ministry's Internal Finance. It is requested that the said format may henceforth be adopted for entering into agreements with consultants for carrying out services in respect of all National Highway Works.

2. The contents of this letter may please be brought to the notice of all concerned officers in your State.
3. Please acknowledge receipt.

Enclosure to Ministry's letter No.RW/NH-33045/3/90 - D III dated 26.8.93

CONTRACT AGREEMENT FOR CONSULTANCY SERVICES

THIS AGREEMENT made on the _____ day of 199 between (*the President of India acting through the _____ of the Ministry of Surface Transport, Government of India, Transport Bhavan, Parliament Street, New Delhi-110 001/ the Governor State of _____ acting through the _____ of Public Works Deptt. _____) (hereinafter called the "Employer" which expression shall unless excluded by or repugnant to the context be deemed to include his successors in office and assign) of the ONE PART and

(For Proprietary Concern)

and Shri _____ son of _____ resident of _____ and (2) Shri _____ son of _____ resident of _____ (Add other names here if there are more partners) carrying on business in co-partnership under the name and style of _____ at _____ (called the said "Consultant" which expression shall unless the context requires otherwise include each of them and their respective heirs, executors, administrators and legal representatives) OF THE OTHER PART.

(For Companies)

and M/s _____ a company incorporated under the Companies Act 1956 and having its registered office at _____ in the State of _____ (through its Managing Director Shri _____ (hereinafter called the said "Consultant" which expression shall unless the context requires otherwise include its successors and assigns) OF THE OTHER PART.

(For Associated/Joint Consultants)

and M/s _____ in association with M/s _____ (both jointly and severally hereinafter called the Consultant the other part. Notwithstanding such association, the Consultant will be represented hereinafter at all times by M/s _____ which will retain full and undivided responsibility for

(*Note: Alternatives : use appropriate wordings)

performance of obligations hereunder and for the satisfactory completion of consultancy services to be performed hereunder.

WHEREAS the Employer has invited the Consultant to provide consultancy services (hereinafter called the "services" and as fully described in Terms of reference for consultancy appended as Appendix-I and clarificatory letter Nos. _____ dated _____ & _____ collectively enclosed as Appendix-II. AND WHEREAS the Consultants has agreed to provide services on the terms & conditions set forth in this contract.

**NOW THIS PRESENT WITNESSES THAT THE PARTIES HAVE HEREBY
A HERETO AS FOLLOWS**

ARTICLE 1 - GENERAL

1.1. For the purpose of the Agreement, the following expression shall have the meaning hereby assigned to it except where the context otherwise requires:

- a) Employer's representative means "Contract Manager" (refer para 7.1).
- b) The Consultant's Representative for purposes of the work shall mean The Team Leader Shri _____ or any one duly authorised by him in writing.

1.2. Date of start shall be reckoned as 30 days from the date of issue of notice to start or the actual date of start of services whichever is earlier.

1.3. Words importing the singular shall also include the plural and vice versa where the context so requires.

1.4. The headings or marginal notes in this Agreement shall not be deemed to be part thereof or be taken into consideration in the interpretation or construction thereof or of the contract.

ARTICLE 2 : SCOPE OF WORK

2.1. Scope of Work

The Consultant shall perform the services under this agreement in accordance with the Terms of Reference set forth in Appendix I, and clarificatory letters No. _____ dated _____ and _____ and minutes of the contract negotiations collectively appended as Appendix-II hereto. The bid submitted by the Consultant together with letter Nos. _____ dated _____ and _____ appended collectively as Appendix-III shall be deemed as part of this contract agreement. In case of any conflict between the provisions mentioned in the Terms of Reference and the provisions of the contract agreement, the decision of Contract Manager shall be final and binding on the Consultant.

ARTICLE 3 - TIME SCHEDULE*

Time Schedule

The Consultants will commence the services as soon as possible but not later than 15 days after the Employer has given to the Consultant notice to proceed with the services. Each stage of the work will be completed as per Schedule given.

SCHEDULE OF SERVICE

- | | | | | |
|----|----|---------------------------|-----|---|
| 1. | a) | Date of Start of Services | ... | 15 days after issue of notice to start or actual commencement whichever is earlier. |
| | b) | Submission of inception | ... | Within (15 to 35) days of start of services. |

* The Article 3 is indicative and will be substituted as given in TOR.

- | | | | |
|----|--|-----|--|
| 2. | Completion of 1st stage of services i.e. _____ | ... | _____ days from date of start i.e. _____ 19 _____ |
| 3. | Completion of 2nd stage service i.e. _____ and _____ | ... | _____ days from date of start i.e. _____ 19 _____. |
| 4. | Completion of 3rd stage of services i.e. _____ | ... | _____ days from date of start i.e. _____ 19 _____ |
| 5. | Submission of draft final | ... | _____ days from date of start i.e. _____ 19 _____ |
| 6. | Submission of approved final | ... | _____ days from date of start i.e. _____ 19 _____ |

3.2. Time and dates stipulated above shall be deemed to be the essence of the Contract.

PROGRESS OF WORK

3.3. If for any reason, which in the opinion of the employer's representative does not entitle the Consultant to an extension of time or the rate of progress of the works of any section is, at any time, too slow to make it impossible for the Consultant to complete the study by the prescribed time or extended time, the Employer may notify the delay to the Consultant in writing and the Consultant shall thereupon, with the approval of the Employer, which shall not be unreasonably withheld, take such steps as are necessary to expedite progress so as to complete the works or such sections by the prescribed time or extended time. The Consultant shall not be entitled to any additional payment for taking such steps. Such extension shall be without prejudice to the right of Employees to terminate the contract.

ARTICLE 4 - PAYMENTS OF REMUNERATION **

4.1. Payments of Remuneration to the Consultant

Payment of remuneration for the performance of all services related to this Agreement shall amount to Rs. _____ (Rupees _____ only) and shall become payable in stages as mentioned below:

SCHEDULE OF PAYMENTS

- | | | | |
|----|--|---|----------------------------|
| 1. | On mobilisation | - | 15 per cent i.e. Rs. _____ |
| 2. | On receipt of strip plan | - | 10 per cent i.e. Rs. _____ |
| 3. | On receipt of draft feasibility | - | 15 per cent i.e. Rs. _____ |
| 4. | On receipt of final feasibility report | - | 15 per cent i.e. Rs. _____ |
| 5. | On submission of interim report of detail design | - | 15 per cent i.e. Rs. _____ |
| 6. | On receipt of final report of detail design | - | 15 per cent i.e. Rs. _____ |
| 7. | On receipt of final report | - | 15 per cent i.e. Rs. _____ |

** The Article 4 is indicative and will be substituted as given in TOR and the Minutes of Contract Negotiations, if any.

4.2. The advance paid shall be deductible from the bills of works in proportion to that the claim amount has to be total remuneration. The Consultant shall be required to submit an irrevocable " Bank Guarantee " from a bank in India accepted to the Employer for the full value of advance in the specified form (see Proforma attached) and valid for the period of contract. In the event of an extension being granted to the Consultant, the Consultant shall be entitled to further payments only after he presents the agreement of the Bank to extension of Bank Guarantee for the period of extension.

4.3. Escalation

In the event the contract is extended for reasons not attributable to as fault of consultant beyond one year for the stipulated completion date, the consultant shall be entitled to cost escalation on the balance amount due in direct proportion to the increase in costs based on the average "Cost Index" for the period from the due date of completion to the extended date of completion. The Cost Index shall be General Consumer Price Index for Industrial Workers on all India basis (Base 1960=100) released by the Labour Bureau, Ministry of Labour, Government of India.

ARTICLE 5 - PERSONNEL & SUB-LETTING

5.1. Personnel

- a) The Services shall be carried out by the Consultant through the Personnel specified in Appendix IV hereof (hereinafter called the Personnel). The consultant may, with the prior approval of the Employer, make minor adjustments in such periods may be appropriate to ensure efficient performance of the Services, but such adjustments will not entitle payments made under the Contract to exceed the cost estimates.
- b) Except as the Employer may otherwise agree, no changes shall be made in the Personnel. If for any reason beyond the reasonable control of the Consultant it becomes necessary to replace any of the Personnel, the Consultant shall forthwith provide as a replacement, person of equivalent or better qualifications after obtaining prior approval of the Employer.
- c) In the event that any person specified in Appendix-IV is found by the Employer to be incompetent to discharging his assigned duties, the Employer may request the Consultant to forthwith provide as replacement a person with qualifications and experience acceptable to the Employer. The Consultant shall bear all additional costs arising out of or incidental to any replacement.

5.2. Except where otherwise provided elsewhere in the Contract, the Consultant shall not assign or sublet the services or any part thereof nor engage any independent consultant or sub- contractor to perform any part of the service without the prior written consent of the Employer. In the event of sub-contracting of services, the Consultant shall submit to the Employer the text of the proposed sub-contract between the Consultant and others relating to the services and any proposed amendment thereof, in detail for approval of Employer.

5.3. The approval of the Employer to the arrangement of any part of the contract or to the engagement by the Consultant of an independent Consultant or sub-contractor to perform any part of the services shall not relieve the Consultant of any of its obligations under the contract.

5.4. Authorised Representative

Any action required or permitted to be taken, and any document required or permitted to be executed, under this contract, may be taken or executed on behalf of the Consultant by the Team leader or his designated representative and on behalf of the Employer by _____.

5.5. Notice or Requests

Any notice or request required or permitted to be given or made under this Contract shall be in writing. Such notice or request shall be deemed to be duly given or made when it shall have been sent/mailed by Registered post or hand delivered, telexed or cabled to the party to which it is required to be given or made at such party's address specified below, or at such other address as either party may specify in writing.

For the Employer

Name :

Address :

Cable :

Telex :

For the Consultant

Name :

Address :

Cable :

Telex :

ARTICLE 6 - CONSULTANT'S RESPONSIBILITIES

6.1. The Consultant shall carry out the services with the due diligence and efficiency and in conformity with sound engineering, administrative and financial practices. He shall execute and complete the work in all respects to the satisfaction of the Employer and do all other things required to be done for such execution and completion.

6.2. The Consultant shall act at all times so as to protect the interest of the Employer and will take all reasonable steps to keep all expenses to the minimum consistent with sound economic and engineering practices.

6.3. The Consultant shall prepare all specifications and designs using the metric system and the latest design criteria.

6.4. Quality Assurance

The Consultant shall prepare an In- house quality assurance plan for the 'Services' and get it approved from the Employer so as to ensure satisfactory quality of the consultancy services in conformity with the assigned Terms of Reference. The Consultant shall ensure to the satisfaction of the Employer that quality assurance is duly exercised within their organisation.

6.5. The Consultant shall ensure that the specifications and design and all documents relating to the project are prepared on an impartial basis and no particular product or company or trade name is given advantage. The remuneration of the consultant charged to the Employer according to this agreement shall constitute his only remuneration in connection with the Agreement and neither he nor his personnel shall accept any trade commission, discount, allowance or any other considerations in connection with or in relation to the Agreement or to the discharge of his obligations thereunder.

The consultant shall not have the benefit either directly or indirectly of any royalty or of any gratuity or commission in respect of any patented or protected article or process used on or for the purpose of the Agreement unless it is mutually agreed in writing that he may do so.

6.6. The Consultant shall promptly furnish to the Employer such information relating to the services and the project as the Employer may from time to time reasonably request.

6.7. Indemnifications

The Consultant agrees to indemnify, protect and defend at his own expense the Employer and their agents from and against all actions, claims and liabilities arising out of acts done by the Consultants or the Personnel in the performance of this Contract including the use or violation of any copyright works of literacy or intellectual property or patented invention, article or appliance.

6.8. Confidentiality

Except with the prior written consent of the Employer, the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information disclosed to them for the purpose of any Services or

discovered by them in the course of the Services, nor shall the Consultant or his Personnel make public any information as to their recommendations formulated in the course of or as a result of the Service.

6.9. Prohibition on Association

The Consultant agrees that during and after the conclusion or termination of this Contract's the Consultant limits its role under the Project to the provision of the Services and hereby disqualifies itself and other contractor, consulting engineer or manufacturer with which the Consultant is associated or affiliated from the Provision of goods or services in any capacity for the Project including bidding for any part of the Project except as the Employer may otherwise expressly agree.

6.10. Prohibition on Conflicting Activities

No member of the personnel assigned to the contract shall engage directly or indirectly, either in his name or through Consultant, in any other business or professional activities other than the performance of his duties or assignment under this Agreement.

6.11. Proprietary Right of the Employer in Equipment

- a) Equipment supplied by the Employer for the Project shall remain at all times the property of the Employer and shall be returned by the Consultant in accordance with procedures to be determined by the Employer.
- b) Equipment purchased by the Employer or by the Consultant for the Employer for the purposes of the project shall be the property of the Employer.

6.12. Proprietary Rights of the Employer in Reports & Records

Interim/Final version of the design/report submitted to the Employer and all reports and relevant data such as maps, diagrams, plans, statistics and supporting records or material compiled or prepared in the course of the Services shall be confidential and shall be the absolute property of the Employer. The Consultant shall sort out and index all such material and deliver all these materials to the Employer upon completion of this Contract. The Consultant may retain a copy of such data but shall not use the same for purposes unrelated to this Contract without prior written approval of the Employer.

6.13. Insurance

- a) The Consultant shall at their costs take out and maintain adequate insurance against all claims relating to third party liability.
- b) The Employer undertakes no responsibility in respect of any life, health, accident, travel and other insurance which may be necessary or desirable for the personnel of or sub-contractors and specialists associated with the consultants for the purposes of the Services, nor for such members of the family of any such person.

6.14. Review of Progress

The Consultant shall be required to attend the office of the Employer to review progress and receive instructions as and when required by the Employer at his own costs which will not normally be more than once a month.

6.15. Errors in Services

The Consultant shall be responsible for any inaccuracy/omission in data used for the services (e.g. field levels for detailed engineering and if any errors are noticed (e.g. at the time of setting out of projects), the consultant shall verify the same at his risk and cost including preparation of fresh drawings/records as called for.

ARTICLE 7 - EMPLOYER'S RESPONSIBILITY

7.1. The Employer shall appoint a "Contract Manager" for the purpose of the contract who shall be fully authorised to give clearance to all reports and make payments for the services and facilities as detailed in Terms of Reference.

7.2. The "Contract Manager" shall accord approval or ask for clarifications to each stage of the services within 15 days of submission of report or the clarification thereof. In the event the "Contract Manager" does not offer any comments and/or suggest improvements or modifications within the stipulated time, the implicit approval of the Employer shall be assumed.

7.3. Employer shall ensure payment to the consultant within one month of the due date of payment as per schedule of payments (Article 4.10) to conform to T.D.R. and the Minutes of Contract Negotiation if any. In the event of delay in payment beyond this period, the consultant shall be entitled to claim of 15 per cent interest for this period beyond one month from the date the payment became due.

7.4. The Employer, while given extension of time, shall also issue a variation order stating the reasons for extension and the amount which the consultant will be entitled to an account of extension.

ARTICLE 8 - VARIATIONS

8.1. Variation of Contract

The Contract may be varied by agreement between the parties. All such variations, including variations in scope the time and cost estimate shall be in writing signed by the duly authorised representatives of the parties. Variations which are natural extension of services or are essential for completion of services shall not be refused by the Consultant.

The Contract may be varied by agreement between the parties. All such variations, including variations in scope in the time and cost estimate shall be in writing signed by the duly authorised representatives of the parties. Variations which are natural extension of services or are essential for completion of services shall not be refused by the Consultant.

8.2. The Consultant wherever required shall submit a detailed break-up of cost of the contract amounts into various components of the work from the start of the work and the variation shall be priced on the basis of this break-up.

8.3. Should the amount of extra or additional work of any kind or any cause of delay referred to in these conditions, or exceptional adverse climatic conditions, or other special circumstances of any kind whatsoever which may occur, other than through a default of the Consultant to an extension of time for the completion of the works, the Employer on application from the Consultant determine the amount of such extension and shall notify the Consultant accordingly provided that the Employer is not bound to take into account any extra or additional work or other special circumstances unless the Consultant has within _____ days after such work has been commenced, or such circumstances have arisen, or as soon thereafter as is practicable, submitted to the Employer's Representative full and detailed particulars of any extension of time to which he may consider himself entitled in order that such submission may be investigated at that time.

ARTICLE 9 - GENERAL PROVISIONS

9.1. Suspension

If any of the following events shall have happened and be continuing, the Client may by written notice to the Consultant suspend in whole or in part payments to the Consultant under the Contract:

- a) A default shall have occurred in the execution of the terms under the Contract on the part of the Consultant.
- b) Any other condition which has arisen while, in the reasonable opinion of the Client, interferes, or threatens to interfere, with the successful carrying out of the Project or the accomplishment of the purposes of the Contract.

9.2. Termination of the Contract by the Client

a) If any of the following events shall have happened and be continuing, the client may by written notice to the Consultant terminate the Contract:

- (1) Any of the conditions referred to in Article 9.1 shall continue for a period of fourteen (14) days after the Client shall have given written notice to the Consultant of suspension of payments to the Consultant under the contract.

- (2) In the event of Consultant(s) fails to complete the services, or d (b) abandons the services in between, or d(cs) without reasonable excuse, fails to commence the services or suspend the services or (d) sub-let the services without prior approval, the Employer may after giving fifteen days notice in writing to terminate the Contract.

b) In any event, the Client, may terminate the Contract at anytime by giving not less than thirty (30) days' written notice to the Consultant.

9.3. Termination of the Contract by the Consultant

The Consultant shall promptly notify the Client in writing of any situation or of the occurrence of any event beyond the reasonable control of the Consultant which makes it impossible for the Consultant to carry out its obligations hereunder. Upon confirmation in writing by the Client of the existence of any such situation or event, or upon failure of the Client to respond to such notice within fifteen (15) days of receipt thereof, the Consultant shall be relieved from all further liability from the date of such receipt for failure to carry out such obligations, and the Consultant may thereupon terminate the Contract by giving not less than thirty (30) days written notice thereof.

9.4. Termination Procedure

- a) Upon termination of the Contract under Section 9.2 receipt of notice of termination under section 9.2 or the giving of notice of termination under section 9.3, the Consultant shall take immediate steps to terminate the Services in a prompt and orderly manner and to reduce losses and to keep further expenditure to a minimum.
- b) Upon termination of the Contract (unless such termination shall have been occasioned by the default of the Consultant), Consultant shall be entitled to the reimbursed in full for such costs as shall have been duly incurred prior to the date of such termination and for reasonable costs incident to the orderly termination of the Services, the return travel of the Personnel and the reshipment of the personal effect and equipment of the Consultant, but shall be entitled to receive no other or further payment.

9.5. Settlement of Disputes

If any dispute or differences of any kind whatever (the decision whereof is not herein otherwise provided) shall arise between the Employer and the Consultant in connection with or arising out of the contract of services whether during the progress of the works or after their completion and whether before or after the termination, abandonment or breach of the Contract, it shall, in the first place, be referred to and settled by the Employer who shall within a period of sixty days after being requested in writing by the Consultant to do so, give written notice of his decision to the Consultant. Subject to arbitration, as hereunder provided, such decision in respect of every matter so referred shall be final and binding upon the Employer and the Consultant and shall forthwith be given effect to by the consultant who shall proceed with the execution of the services with all due diligence, whether he or the Employer requires arbitration, as hereinafter provided, or not. If the Employer has given written notice of his decision to the Consultant and no claim to arbitration has been communicated to him by the Consultant within a period of sixty days from receipt of such notice, the said decision shall remain final and binding upon the consultant. If the employer shall fail to give notice of his decision, as aforesaid, within a period of sixty days after being requested as aforesaid or if either the Employer or the Consultant be dissatisfied with any such decision, then and in any such case, either the Employer or the Consultant may within sixty days of receiving notice of such decision as the case may be, require that the matter or matters in dispute be referred to arbitration as hereinafter provided. All disputes or differences in respect of which the decision, if any, of the Employer has not become binding as aforesaid shall, on the initiative of either party be referred to the adjudication of a committee of three arbitrators. The Committee shall be composed of one arbitrator to be nominated by the Employer, one to be nominated by the Contractor and the third, who will also act as the Chairman of the Committee will be nominated by the Director General (Road Development), Government of India. In case either the Consultant or the Employer or both fail to nominate an arbitration within 60 days of the date of issue notice for arbitration, then the Director General (Road Development) shall nominate arbitration on behalf of the Consultants or the Employer or both as the case may be, and arbitration shall proceed forthwith. Save as otherwise provided in the Contract, the arbitration shall be conducted in accordance with the provision of the Indian Arbitration Act, 1940, or any statutory modification or enactment thereof and shall be held at such place and time in India as the Committee of arbitrators may determine. The decision of the majority of the Arbitrators shall be final and binding as may be determined by the Arbitrators. Performance under the Contract shall continue during the arbitration proceedings and payments due to the Consultant by the Employer shall not be the subject matter of all the arbitration proceedings.

All awards shall be in writing and such awards shall state reasons for the amounts awarded. No decision given by the Employer in accordance with the foregoing provisions shall disqualify him from being called as a witness and giving evidence before the arbitrators as aforesaid and neither party will be limited in the proceedings before such arbitrations to the evidence of arguments put before the Employer for the purpose of obtaining his said decisions.

Force majeure

- a) If either party is temporarily unable by reason of force majeure or the laws or regulations of the Govt. of India to meet any of its obligations under the Contract, and if such party gives to the other party written notice of the event within fourteen (14) days after its occurrence, such obligations of the party as it is unable to perform by reason of the event shall be suspended for as long as the inability continues.
- b) Neither party shall be liable to the other party for loss or damage sustained by such other party arising from any event referred to in Section 6.06 (a) or delays arising from such event.
- c) The term "force majeure", as employed herein shall mean acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightening, floods, wash outs, civil disturbances, explosions, and any other similar events, not within the control of either party and which by the exercise of due diligence neither party is able to overcome.

ARTICLE 10 - COMPLETION

10.1. The contract shall become effective upon the date notice given to proceed with the services and shall be in full force until the services and all payments therefor have been completed and at such time a "Completion certificate" shall be issued by the Employer and the parties hereto shall be mutually released from all obligations of providing further services, unless otherwise specified in this agreement.

IN WITNESS WHEREOF, the parties hereto through their duly authorised representatives have set their hands and seal the day and year first above written at _____.

SIGNED BY THE SAID ON BEHALF
OF THE EMPLOYER

SIGNED BY

IN THE PRESENCE OF :

1.

2.

SIGNED BY THE AFORESAID CONSULTANTS
UNDER THE COMMON SEAL OF _____

SIGNED BY

"Affixed in pursuance of the provision of _____ Rule _____ Rules of the Articles of Association and/or Resolution resolved in the Extra/Ordinary General/Board Meeting of the Consultants held on _____ (whichever is applicable)".

(Note: Person signing for the Consultant shall be required to give evidence of fact that he is authorised to sign on behalf of the firm, company etc. as required).

PROFORMA FOR BANK GUARANTEE

To

The Governor of the State of _____
 acting through _____

Subject: (Please state the name of the work)

Sir,

In consideration of (the name of the Employer) acting through _____ (hereinafter referred to as "Employer") releasing advance payment amounting to _____ (Amount of advance to be stated) to M/s _____ (hereinafter referred to as "Consultant") in terms of the provisions of the contract dated _____ entered into by and between the Employer and Consultant (hereinafter referred to as 'Contract'), on submission by the Consultant, a Bank Guarantee for an amount of _____ (same amount as that of Advance) (amount in words) for a period of _____ (Please state period in months), We, the _____ (please state here the name and other particulars of Bank) (hereinafter referred to as Bank), unconditionally and irrevocably guarantee, as primary obliger and not merely as surety, due payment to the Employer and undertake to pay immediately on demand without any demur, an amount not exceeding _____ (please state the amount of Bank Guarantee) (in words) _____ into the account of the Employer as may be indicated in the Demand letter.

2. We further agree that no change or addition to or other modification of the terms of the Agreement or of works to be performed thereunder or of any of the Agreement which may be made between the Employer and the Consultant, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

3. This guarantee shall remain valid and in full effect from the date of the advance loan payment to the Consultant under the Agreement until the Employer receives full repayment under the terms of the Contract as well as under these presents from the Consultant.

4. Any demand made as such by the Employer to the Bank shall be conclusive evidence of Bank's liability hereunder and prior to make any demand, the Employer shall not be required to take any steps, exercise any remedies against or give notice to the Consultant.

5. While this Guarantee continues, the Bank shall not exercise any rights to claim any sum from the Consultant's insolvency until full satisfaction of the Employer's claim to the extent of the Bank's liability hereunder.

6. The liability of the Bank under this Guarantee shall not be affected by any change in the constitution of the Consultant or of the Bank.

7. Notwithstanding anything contained hereinafter, our liability under this bond is restricted to Rs * _____ (Rupees _____ only) and interest thereon at the rate of & ** _____ for the period of delay in payment beyond 15 days from the date of receipt of demand by the Employer. It will remain in force till *** _____ unless an action to enforce a claim under this guarantee is filed, on or before _____, all the rights of the Employer under the said guarantee shall be forfeited and the Bank shall be relieved and discharged from all liability thereunder.

* Same amount as that of Bank Guarantee in para 1 above.

** Rate as applicable to the working capital loans by the Central Govt. to be filled up.

*** One month later than period mentioned in para 1 above.

130/82

IN WITNESS Whereof we, the Bank, through our authorised representative have executed and put our seal on this _____ day of _____ 199 .

Signature of
Authorised Representative(s)
of the Bank.

Witness : 1.

Address :

Witness : 2.

Address :