

FORMAT FOR INDEMNITY BOND

NOTE: To be executed on non-judicial paper of appropriate value.

M/s KRISHAK BHARATI CO-OPERATIVE LIMITED
P.O.KRIBHCO NAGAR
SURAT-394515

Dear Sir,

INDEMNITY BOND NO :
INDEMNITY BOND VALUE RS. :
VALID UPTO :
DATE OF ISSUE :

WHEREAS

M/s. KRISHAK BHARATI COOPERATIVE LIMITED, a company corporated in India and having its office at KRIBHCO NAGAR, SURAT – 394 515, GUJARAT (India) has placed a work order with **(Name of Contractor)**, vide their W.O. No: _____, dtd: _____ for **(Rs Work order value)**

1. AND WHEREAS it is one of the terms of the said contract that the contractor shall furnish to the owner an indemnity bond which shall be for 100% of the value of the material and shall be valid for the duration of supply of the work covered by the said contract and period of defects/liability respect of the said work.
2. AND WHEREIN THE CONTRACTOR has agreed to give in favour of the Owner an Indemnity bond in manner herein after appearing which the owner has agreed to accept.

NOW THE DEED WITNESSTH AS FOLLOWS

3. In pursuance of the said agreement and in consideration of the promises aforesaid, we, **(Name of Contractor)** do hereby undertake to the Owner due observance and fulfillment by the contractor of the terms of the said contract relating to the said work and of the performance of warranty which is a part of the said contract and agree and undertake that if we fail to observe and fulfillment the said terms of the said contract and /or the performance warranty, then we shall immediately pay to the Owner on demand such sum of _____ Being 100% of the said contract on account of loses and damaged suffered by the Owner and may be claimed by the Owner by reason of such non observance and nonfulfillment by the contractor as aforesaid and shall also indemnify the Owner against all losses and damages suffered by the Owner as aforesaid along with all costs, charges, expenses which may be incurred by the Owner in connection therewith. We shall pay the said amount without demur or protest. Any, such demand placed on us shall be conclusive as regards the amount due and payable to us.
4. The indemnity is continuing Indemnity and not revocable except with the previous written consent of the owner and save as aforesaid it will continue in force until the contractor has maintained the schedule of delivery of the said work under the said contract and observed and fulfilled the said contract.
5. WE, **(Name of Contractor)** Further agree with the owner that the owner shall the fullest liberty without our consent and without affecting in any manner our obligations hereunder to very and of the terms and conditions of the said contract or to extend time of performance by the said contract from time to time or to postpone for any owner against contractor and to forbear or enforce any of the terms and conditions related to the said contract and we shall not be relieved from our liability by reason of any such variation in extension being granted to the said contract or for any forbearance, act. Or omission on the part of the owner or any indulgence, by the owner to the said contractor 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.

6. This indemnity shall not be affected by any change in the constitution of the owner by absorption with any other body or corporation or otherwise and this indemnity will be available to or enforceable by such body or corporation.
7. Any breach of the provision of this Indemnity Bond shall make the contractor liable of all consequences including legal action under the provision of law in country.
8. The Bond shall not be discharged due to the change in the constitution of the contractor.
9. We, **(Name of Contractor)**, lastly undertake not to revoke this bond during its currency except with the previous consent of the owner in writing.
10. Notwithstanding anything contained herein above, our liability under this bond is restricted to a sum of exceeding _____ it shall remain in force until **(date)**.
11. This Bond shall continue to be in force not with standing the discharge of the contractor by operation of law and shall cease only on payment of the full amount by **(Name of Contractor)** to the owner of the amount hereby secured and on the claim of the owner against the contractor in respect of the said contract being satisfied.
12. Any notice by way of request. Demand or otherwise hereunder may be sent by post to the **(Name & Address of the Contractor)**, addressed as aforesaid and if sent by post. It shall be deemed to have been given at the time when it would be delivered in due course of post and in proving such notice, when given by post. It shall be sufficient to prove that the envelopes containing the notice was posted and a certificate signed by and an officer of the owner that the envelope was so posted shall be conclusive.
13. Now this Bond witnesseth that in consideration of the contractor having at the request of the vendor agreed to accept a Indemnity Bond of the "**(Name of work)**" in respect of the said work order amounting **(Rs Work order value)** issued to the vendor for the work/supplying equipment and/or materials for the plant, which figure shall become reduced and stand ultimately extinguished as hereinafter setforth any and all against loss damage, and destruction but not limited to any and all loss or damage or destruction to the said material or any item or any part thereof by theft, Pilferage, fire, flood, storm, tempest lighting explosion, storage, chemical or physical action or reaction bending, warping, exposing, rusting faulty workmanship fabrication or faulty method or technique of fabrication, strike, riot, civil, commotion, another act of omission whatsoever within or beyond the control of the vendor, misuse and misappropriation by the vendor & vendor's servant, and/or agents whatsoever in the said material or any part or item thereof, supplied to the vendor upto and until and date of return to the purchaser of the said material or relative part of them thereof or completed fabricated work(s) incorporating said material the **(Name of Contractor)** shall indemnify and pay without protest or demur without recourse to the vendor, the said contract up to and not exceeding altogether a sum of _____ on demand being the value of the said material. The decision of the purchase to any loss or damage under the terms and conditions of this Indemnity Bond shall be final and binding on the **(Name of Contractor)**.
14. This Guarantee herein certain irrevocable and will remain in full force until the receipt of vaccum contractor given for repair as per the terms of the contract are received at site and accepted by M/s. KRIBHCO. We undertake that we shall submit the storage policy within 7 days of receipt of material at our site, failing which Indemnity Bond can be invoked.
15. These present shall be governed by and constructed in accordance with Indian law.
16. The undersigned hereby declares that it has power to issue this Indemnify Bond and the undersigned has full powers to do so.

WITNESS:

Seal

For **(Name of Contractor)**.