

FORMAT FOR PERFORMANCE BANK GUARANTEE-I (PBG-I).

FM Broadcasting Service at _____

In consideration of the President of India acting through Under Secretary(FM) Ministry of Information & Broadcasting (the **Ministry**) having declared _____ [Name and address] as “Qualified Interested Party” (hereinafter called “the QIP ”) to submit a financial bid to seek permission to establish, maintain and operate FM radio broadcasting Service at _____ on the terms and conditions set out in the tender document notified through NIT dated 21.9.05..... , wherein it has been stipulated that the QIP shall furnish to the Ministry a Bank Guarantee from a scheduled bank for the sum equal to 50% of the amount of the financial bid as security for the due observance and performance of the terms and conditions of the said Tender Document.

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 _____ has agreed to irrevocably and unconditionally guarantee to the Ministry that the QIP shall comply with all the terms and conditions of the tender document 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 QIP up to a total _____ (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 _____ (Amount of Guarantee) as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We, the Bank, do hereby agree that the decision of the Ministry as to whether the QIP has failed to or neglected to perform or discharge his duties and obligations as aforesaid as per the terms and conditions of the said Tender Document 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 LOI/Permission Holder shall not affect our obligation under this guarantee.

We hereby waive the necessity of your demanding the said debt from the QIP before presenting us with the demand and acknowledge that we are the primary obligee and not just the surety of the QIP.

We further agree that no change or addition to or other modification of the terms of the Tender or of the works to be performed there under 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 one year from the date of opening of financial bids. It shall also continue to be enforceable till all the dues of the Ministry under and by virtue of the said financial bid have been fully paid and its claims satisfied or discharged or till Ministry informs that all the terms and conditions of the said Tender have been fully and properly carried out by the said QIP and accordingly discharges 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 Tender or to extend time of performance of any obligations by the said QIP 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 QIP and to forbear or to enforce any of the terms and conditions relating to the said Tender and we shall not be relieved from our liability by reason of any variation or extension being granted to the said QIP or forbearance act or omission on the part of the Ministry or any indulgence by the Ministry to the said QIP 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 QIP 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 QIP.
- (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. _____, who has signed on behalf of the bank, is duly authorized 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 QIP.

This guarantee shall be valid for a period of one year from the date of opening of financial bid and until 28 days after the date of issue of the Defect Liability Certificate by the _____.

SIGNATURE AND SEAL OF THE GUARANTOR _____

NAME OF BANK _____

ADDRESS _____

DATE _____

In the presence of:

1. _____
(Name and Occupation)

2. _____
(Name and Occupation)