

INDEMNITY BOND
(FOR TOTAL VALUE OF RAW-MATERIAL)

This Indemnity Bond executed on the _____ day of _____ by _____ its registered office at _____ which expression shall mean and include its successors, administrators and assigns (hereinafter called the "SUPPLIER"), in favour of M/s Hindustan Aeronautics Limited, Transport Aircraft division, Kanpur having its Registered Office at 15/1, Cubbon Road, Bangalore-560 001, which expression shall include and mean its successors, administrators and assigns (hereinafter called the "COMPANY").

2. WHEREAS THE COMPANY wanted to get executed the work of _____ (specify the work), and whereas the SUPPLIER agreed to execute the aforesaid work at its works at _____, and whereas in consideration whereof the COMPANY awarded the said work to the SUPPLIER on the terms and conditions stipulated in the Purchase Order No. _____ Dt. _____ and whereas the above work involves the COMPANY supplying the raw material to the SUPPLIER and the SUPPLIER should furnish necessary Bank Guarantee for full value of the raw materials supplied by it, for the safe custody of the materials during the period from the date of receipt thereof by the SUPPLIER till the date of dispatch of the machined components to the COMPANY, and whereas the SUPPLIER has expressed its inability to furnish Bank Guarantee for the full value of the raw materials supplied by the COMPANY and requested the COMPANY to allow it to furnish an INDEMNITY BOND for 100% of the value of raw materials of supplied by the COMPANY of Rs. _____ and where as the COMPANY has considered and agreed to the above said request of the SUPPLIER.

3. WHERE AS, in consideration of above, the supplier do hereby agree, undertake and indemnify the COMPANY (i) That it shall keep in good and safe custody the materials supplied by the COMPANY and render proper and satisfactory account of the same so supplied to it and to return under acknowledgement the unused left-over material, if any; (ii) That the material will not be used for any purpose other than the purpose as aforesaid / that stipulated in the order. (iii) That the SUPPLIER agrees to pay the value of material for rejected quantity / return scrap material beyond permissible rejection as it is assessed by the COMPANY. (iv) That the SUPPLIER agrees to pay the value of the material as assessed by the COMPANY if any pilferage, theft or any damage is caused to the material supplied by the COMPANY, within 15 days of such occurrence. (v) That the SUPPLIER shall indemnify the COMPANY against all losses or damages that may be suffered by the COMPANY due to any breach of contract committed by SUPPLIER, AND WHEREAS, the SUPPLIER further undertakes that this indemnity shall be binding on its successors, administrators and assigns.

4. THAT THE SUPPLIER hereby expressly agrees that all disputes whatsoever arising out of this bond shall be governed by the arbitration clause as indicated in the terms and conditions of the aforesaid purchase order and that all cases whatsoever arising out of this bond shall be instituted / filed only on the courts / forums having territorial jurisdiction over Kanpur.

SIGNATURE OF THE SUPPLIER
(with office seal)

Contd.....2

5. The supplier hereby indemnifies that the Raw material / other items supplied by HAL would be based-on the HAL's estimates and such estimates of material including wastages will be binding on the part of supplier. Further it is indemnified that supplier will obtain Comprehensive Insurance Policy covering all risks including fire, theft, damages / loss of material etc. while HAL's supplied material are in the custody of supplier and such Insurance policies will be assigned to HAL TAD Kanpur.

6. The supplier hereby indemnifies that this Indemnity Bond covering the amount equivalent to the value of material / other items supplied by HAL TAD Kanpur against the Purchase Orders, shall remain valid up to _____ however the validity of Indemnity Bond will automatically stand extended for further period, till required finished items (manufactured out of material supplied by HAL) and balance if any, are delivered to HAL TAD Kanpur by the supplier. The Indemnity Bond shall be in favour of HAL TAD Kanpur.

7. In witness whereof, I _____ of the SUPPLIER have executed these presents in the presence of witnesses on the day, month and year above mentioned.

8. This Indemnity Bond shall remain valid up to _____ however the validity of Indemnity Bond will automatically stand extended for further period, for which the contractor requested HAL for extension of time period for completion of supply of finished components beyond the originally scheduled delivery date(s).

SIGNATURE OF THE SUPPLIER
(with office seal)

WITNESSES

1. _____
(Signature)
Name : _____
Address : _____

2. _____
(Signature)
Name : _____
Address : _____

