

**Form 18**

**BANK GUARANTEE BOND FOR RELEASE OF ADVANCE PAYMENT  
UNDER TECHNOLOGY DEVELOPMENT FUND (TDF) SCHEME**

(To be executed by the State Bank of India or any other scheduled Bank  
Recommended by Reserve Bank of India on non-judicial stamp paper)

To

The Director,  
Directorate of Management & Services (DMS)  
DRDO Bhawan  
Rajaji Marg, New Delhi-110011

Dear Sir/Madam,

Sub: Agreement as per the project sanction no. ----- dated -----  
for the project titled -----  
between ----- and **Director TDF .**

1. Director TDF, on behalf of President of India, have entered into an agreement as given above with \_\_\_\_\_ (herein after referred to as the Development Agency) for the design and development of \_\_\_\_\_(Name of project) under Technology Development Fund Scheme for the price and on the terms and conditions contained in the said agreement and project sanction order.

2. In accordance with the terms of said agreement you have agreed to make an advance payment of **Rs. -----(Rupees ----- only) being -----% of the total value of the DRDO Share of the project titled “\_\_\_\_\_” sanctioned under TDF Scheme. The Development Agency (Name of Industry) furnishing you with an acceptable Bank guarantee to be valid till the date (DD/MM/YYYY) of completion of Milestone acceptable by the Project Monitoring and Mentoring Group.** For this purpose you have agreed to accept our guarantee.

3. We.....(indicate the name of the bank) do hereby undertake to pay the amounts due and payable under this guarantee without  
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any demur, merely on a demand from the Government stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Government by reason of breach by the said agreement(s) of any of the terms or conditions contained in the said Agreement or by reason of the Development Agency ' failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs -----.

4. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Development Agency (DA) in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this bond shall be a valid discharge of our liability for payment there under and the Development Agency (DA) shall have no claim against us for making such payment.

5. 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 Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied discharged or till Director TDF, Defence Research & Development Organization, Ministry of Defence certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said Development Agency and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the **(DD/MM/YYYY)**. We shall be discharged from all liability under this guarantee thereafter.

6. We,.....(indicate the name of the 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 to vary any of the terms and conditions of the said Agreement or to extend time of performance by the Development Agency from time to time or to postpone for any time or from time to time any of the powers

exercisable by the Government against the said Development Agency and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or' extension being granted to the said Development Agency or for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said Development Agency 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.

7. This guarantee will not be discharged due to the change in the constitution of the Bank or the Development Agency.

8. We,.....(indicate the name of the bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing.

9. Dated the .....day of .....of ..... (Indicate the name of the Bank).....

10. Payment by us to you will be made within thirty-(30) days from receipt of your written request making reference to this guarantee and on demand.

Date:

Sd.....

Place:

Bankers

Seal of the Bank

Witness:

1.....

2.....