

BANK GUARANTEE FORMAT FOR PERFORMANCE BOND (FOREIGN)

(TO BE EXECUTED BY THE CONTRACTOR'S BANK)

The President of India
(acting through the Director, Purchase & Stores)
Directorate of Purchase & Stores,
Vikram Sarabhai Bhavan,
Anushaktinagar (P.O.)
MUMBAI 400 094. INDIA

WEHREAS on or about the _____ day of _____ 200____ M/s. _____ having its registered Office at _____ (hereinafter called 'The Contractor') entered into an Agreement No. _____ dated _____ for manufacture and supply of _____ (hereinafter called 'The Contract') with the President of India acting through the Director, Purchase and Stores, Department of Atomic Energy (hereinafter called 'The Purchaser')

AND WHEREAS under the terms and conditions of the contract final payment amounting to -- under the contract is to be made against a performance bond in the form of bank guarantee furnished by the Contractor for a sum _____ of equivalent to 10% (Ten per cent) of the value of the contract towards satisfactory performance of the _____ (hereinafter called the equipment) valid for a period of 12 months from the date of putting into operation of the said equipment or _____ months from the date of receipt of the last lot of consignment whichever is earlier.

NOW We, (bank) in consideration of the promises and payment of the final/balance amount of _____ under the contract to the contractor hereby agree and undertake to pay on demand and without any demur to the Director, Purchase & Stores, Directorate of Purchase and Stores, Department of Atomic Energy on behalf of the contractor a sum not exceeding _____ against any loss or damage that may be suffered by the Purchaser by the reasons of any unsatisfactory performance of the said equipment.

AND we, _____ (Bank) hereby also agree that the decision of the said Director, Purchase & Stores as to whether the said equipment is giving satisfactory performance or not and as to the amount of loss or damages suffered by the Purchaser on account of unsatisfactory performance of the said equipment shall be final and binding on us.

AND We (bank) hereby further agree that our liability hereunder shall not be discharged by virtue of any agreement between the Purchaser & the Contractor whether with or without knowledge and/or consent or by reason of the Purchaser showing any indulgence or forbearance to the contractor whether as to payment, time performance or any other matter whatsoever relating to the contract which but for this provision would amount to discharge of the surety under the law.

Our guarantee shall remain in force until _____ and unless a claim under the guarantee is lodged with us within six months from the date (i.e. _____), all rights of the Purchaser under the Guarantee shall be forfeited and we shall be relieved and discharged from all our liabilities hereunder.

Our liability under this guarantee shall not be affected by any change in our constitution or the constitution of the contractor.

(Stamp & Signature)

FOR AND ON BEHALF _____ (BANK)

DATED AT _____ THE _____ 200