

**BANK GUARANTEE FORMAT
TOWARDS PERFORMANCE BOND
(FROM FOREIGN SUPPLIER)
(TO BE EXECUTED BY THE CONTRACTOR'S BANK)**

The President of India
(acting through the Regional Director, Purchase & Stores),
Directorate of Purchase and Stores, Department of Atomic Energy,
Government of India, Indore Regional Purchase Unit,
Raja Ramanna Centre for Advanced Technology,
INDORE – 452 013, M.P., INDIA.

1. WHEREAS on or about the _____ day of _____ 20____ M/s _____ having its registered office at _____ (hereinafter referred to as '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 Regional Director, Purchase & Stores, Directorate of Purchase and Stores, Department of Atomic Energy, Government of India, Indore Regional Purchase Unit (hereinafter called 'The Purchaser').
2. AND WHEREAS under the terms and conditions of the contract final payment amounting to _____ (_____ only) 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 _____ (_____ only) 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 (specify as per warranty clause in the Purchase Oder).
3. NOW WE, _____ (Name & Address of the Bank) in consideration of the promises and the payment of the final/balance amount of _____ (_____ only) under the contract to the Contractor do hereby and undertake to pay on demand and without any demur to the Regional Director, Purchase & Stores, Directorate of Purchase & Stores, Department of Atomic Energy, Government of India, Indore Regional Purchase Unit on behalf of the Contractor a sum not exceeding _____ (_____ only) against any loss or damage that may be suffered by the Purchaser by the reason of any unsatisfactory performance of the said equipment.
4. AND WE, _____ (Bank) hereby also agree that the decision of the said Regional Director, Purchase and Stores, Directorate of Purchase and Stores, Department of Atomic Energy, Government of India, Indore Regional Purchase Unit 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.
5. AND WE, _____ (bank) hereby further agree that our liability hereunder shall not be discharged by virtue of any agreement between the Purchaser and the Contractor whether with or without our knowledge and/or consent or by reason of the Purchaser showing any indulgence or forbearance to the Contractor whether as to payment, time for 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.
6. OUR GUARANTEE shall remain in force until _____ (two months beyond the contract warranty period) and unless a claim under the guarantee is lodged with us on or before the above date, all rights of the Government 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)
(indicate the name of Bank with Postal address,
Fax number & e-Mail details)

Dated the _____ day of _____ 20_____.

Note : Kindly incorporate the specific validity date of the Bank Guarantee strictly as per our warranty clause No. _____ of the Purchase Order with extra two months period for lodging the claim.