

**BANK GUARANTEE FORMAT
TOWARDS PERFORMANCE BOND
(FOR INDIGENOUS SUPPLY)**

[On Non-Judicial Stamp Paper of appropriate value]

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

1. WHEREAS on or about the _____ day of _____ 201____
M/s _____ a company registered under Companies Act 1913/1956 and having its regis-
tered office _____ (hereafter referred to as The Contractor) entered into an agreement bearing
No. _____ dated _____ (hereinafter referred to as "The Contract") with the
President of India acting through the Regional Director, IRP&SU, Directorate of Purchase & Stores, Depart-
ment of Atomic Energy (hereinafter referred to as "The Government") for supply of _____ (hereinafter
referred to as 'The Equipment').

2. AND WHEREAS under the terms and conditions of the contract an amount of Rs. _____
(Rupees _____ only) representing balance _____ percent payment out of the total value of
the contract of Rs. _____ (Rupees _____ only) is to be paid to the Contractor on the final
acceptance of the equipment and on the Contractor furnishing a bank guarantee in a manner herein contained
towards satisfactory performance of the equipment during warranty period, viz. _____ months from the
date of acceptance/commissioning of the said equipment or _____ months from the date of despatch of the
last lot of consignment whichever is earlier (Specify as per warranty clause in the Order).

3. NOW WE, the _____ (Name & Address of the Bank) in consideration of the prom-
ises and the payment of said sum of Rs. _____ (Rupees _____ only)
by the Government to the Contractor do hereby agree and undertake to pay to the Regional Director, IRP&SU,
Directorate of Purchase and Stores, Department of Atomic Energy, on behalf of the Government the amount
due and payable under the guarantee without any demur, merely on a demand from the Regional Director,
IRP&SU, Directorate of Purchase & Stores, stating that the amount claimed is due by way of loss or damage
caused to or suffered by the Government by reason of unsatisfactory performance of the equipment during the
Warranty period. 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. _____ (Rupees _____ only).

4. WE, _____ (Bank) undertake to pay to the Government any money so de-
manded notwithstanding any dispute or disputes raised by the Contractor(s), in any suit or proceedings pending
before any Court or Tribunal relating thereto, our liability under this present guarantee bond being absolute and
unequivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment
thereunder and the Contractor(s) shall have no claim against us for making such payment.

5. WE, _____ (Bank) hereby further agree that the decision of the Regional Di-
rector IRP&SU, Directorate of Purchase and Stores, Department of Atomic Energy as to whether the said
equipment is giving satisfactory performance or not during the warranty period and as to the amount of damages
suffered by the Government on account of unsatisfactory performance of the said equipment shall be final and
binding on us.

6. AND WE, the _____ (bank) do hereby agree that our liability hereunder shall not be discharged by virtue of any agreement between the Government and the Contractor whether with or without our knowledge and/or consent or by reason of the Government 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.

7. THIS GUARANTEE will not be discharged due to the change in the constitution of the Bank or the Contractor(s).

8. 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 right of the Government under the guarantee shall be forfeited and we shall be relieved and discharged from all our liabilities thereunder.

Dated the _____ day of _____ 201_____

For _____
(indicate the name of the bank)