

FORMAT FOR PERFORMANCE BANK GUARANTEE

From

Bank:

To

Yantra India Limited Ordnance Factory Dum Dum
Jessore Road, Kolkata – 700028, West Bengal
India

Bank Guarantee No.....Dated

Bank Guarantee Amount.....

Dear Sir,

1. Whereas you (the “PURCHASER”) have entered into a contract No._____ dated_____ (hereinafter referred to as the “said Contract”) with M/s_____ (hereinafter referred to as the “SELLER”) for supply of goods as defined in the said Contract and whereas the SELLER has undertaken to produce a bank guarantee for ____ 3% of total contract value amounting to _____ (amount of the guarantee in figures and words) to secure its obligations to the PURCHASER in accordance with the said Contract.
2. We _____ (the Bank) hereby expressly, irrevocably and unreservedly undertake and guarantee as principal guarantor on behalf of the SELLER that, we will pay you on your demand declaring the SELLER to be in default under the said Contract, without demur or contest, all and any sum up to a maximum of Rupees _____ only. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said Contract.
3. We undertake to effect payment upon receipt of such written demand, notwithstanding any dispute or disputes raised by the SELLER in any suit pending before any Court, Tribunal, Arbitrator or any other authority, our liability under this present being absolute and unequivocal.
4. We shall not be discharged or released from this undertaking and guarantee by any arrangements or variations made between you and the SELLER, indulgence to the SELLER by you or by any alterations in the obligation of the SELLER or by any forbearance whether as to payment, time, performance or otherwise.

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5. In no case shall the amount of this guarantee be increased.
6. This guarantee shall remain in full force and effect until three months beyond the warranty period as specified in the contract i.e. up to _____ (expiry date) *[or until the PURCHASER has signed the Final Acceptance Certificate (FAC) and has received the contractually agreed Warranty Bond as per the said Contract]*. In case of delay in fulfillment of obligations by the SELLER, the expiry date shall be extended by us as per intimation from the SELLER.
7. Unless a demand or claim under this guarantee is made to us in writing on or before the aforesaid expiry date or extended expiry date, all your rights under this guarantee shall be forfeited and we shall be discharged from the liabilities hereunder.
8. This guarantee shall be continuing guarantee and shall not be discharged by any change in the constitution of the Bank or in the constitution of the SELLER.
9. We lastly undertake not to revoke this guarantee during its currency except with the previous consent of the PURCHASER in writing.

Yours faithfully,

for _____ Bank

(Authorised Signatory)

Place : _____

Date : _____

Seal of the Bank