

**PROFORMA OF "BANK GUARANTEES" FOR "CONTRACT PERFORMANCE SECURITY / SECURITY
DEPOSIT"**

(ON NON-JUDICIAL STAMP PAPER OF APPROPRIATE VALUE)

Bid Document No. : _____ Date : _____
Project : _____
Performance Bank Guarantee No. : _____

To,
GASNET SERVICES (RJ) LIMITED
Corporate Office: 807,
World Trade Tower
Sector - 16, Noida – 201301, Uttar Pradesh

Subject: Contract Performance Bank Guarantee for [Project/Contract Name]

Dear Sir(s),

In consideration of GASNET SERVICES (RJ) LIMITED, incorporated under Company's Act 1956 having its registered office at GASNET SERVICES (RJ) LIMITED, DEPL, Neighbourhood Shopping Complex, Sector – 4, Nerul (W) , Navi Mumbai - 400706, India (herein after referred to as "GSRJL" which expression shall unless repugnant to the context or meaning there of include all its successors, Administrators, or meaning there of include all its successors, administrators, executors and assignees) have entered into a Contract / Purchase Order No. _____ dated (herein after called the contract which express shall include all the amendments thereto) with M/s. _____, having registered office at _____ (after this called the "contractor" which expression shall, wherever the context so requires, include its successors and assignees) have been awarded the work of _____ vide LOA/FOA No. _____ dated _____.

The Contract conditions provide that the CONTRACTOR shall pay a sum of Rs. _____ (Rupees _____ only) as full Contract Performance Guarantee in the form therein mentioned. The form of payment of Contract Performance Guarantee includes a guarantee executed by Nationalized Bank, undertaking full responsibility to indemnify GASNET SERVICES (RJ) LIMITED in case of default.

The said _____ has approached us, and at their request and in consideration of the premises, we _____, having our office at _____, have agreed to give such guarantee as from now on mentioned.

1. We _____ (Name and full address of the bank) registered under the laws of _____ having head / registered office at _____ (herein after referred to as "The bank" which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and only permitted assignees) guarantee and undertake to pay immediately on first demand by GSRJL in writing, the monies to the extent of Rs. _____ (Rupees _____ only) without any demur, reservation, contest or protest and/or without any reference to the Contractor(s)/ supplier any such demand made by GSRJL on the Bank by serving a written notice shall conclusive and biding, without any proof, on the bank as regards the amount due and payable, notwithstanding any dispute(s) pending before any court, tribunal, Arbitrator or any authority and / or any other matter of thing whatsoever, as liability under these presents being absolute and unequivocal. We agree that the guarantee herein contained shall be irrevocable and shall continue to be enforceable until it is discharged

by GSRJL in writing. This guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the Contractor(s)/ Supplier and shall remain valid, binding and operative against the bank.

2. The Bank also agree that GSRJL at its option shall be entitled to Enforce this Guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the Contractor(s)/ Supplier and notwithstanding any security or other guarantee that GSRJL may have in relation to Contractor(s)/ Supplier's liabilities.
3. The bank further agree that GSRJL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of their terms and conditions of the said contract or to extend time of the performance by the said contractor(s) / supplier from time to time or to postpone for any time or from time to time exercise of any of the powers vested in GSRJL against the said contractor(s)/supplier 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 Contractor(s) / Supplier or for any forbearance, act or omission on the part of GSRJL or any indulgence by GSRJL to the said contractor(s)/ Supplier or any such matter or thing whatsoever.
4. This guarantee shall be irrevocable and shall remain valid up to _____ (this date should be 90 days after the expiry of the defect liability period). The bank undertakes not to revoke this guarantee during its currency without your previous consent and further agrees that the guarantee shall continue to be enforceable until GSRJL discharges it in writing. However, if for any reason, the contractor is unable to complete the work within the period stipulated in the contract and in case of extension of the date of completion resulting in an extension of the defect liability period of the contract and the contractor fails to perform the work fully, the bank at this moment agrees further to extend this guarantee at the instance of the contractor till may be determined by the owner. If any further extension of this guarantee is required, the same shall be extended to such required period on receiving instruction from M/s. _____ (contractor) on whose behalf this guarantee is issued.
5. The bank also agrees that GSRJL, at its option, shall be entitled to enforce this Guarantee against the bank (as principal debtor) in the first instant, without proceeding against the supplier/ contractor and notwithstanding any security or the other guarantee that GSRJL may have about the supplier's/ contractor's liabilities.
6. Your right to recover the said sum of Rs. _____ (Rupees _____ only) from us in the manner aforesaid will not be affected or suspended because the said M/s _____ have raised any dispute or disputes and/or that any dispute or disputes are pending before any officer, tribunal or court and any demand made by you in the bank shall be conclusive and binding. The bank shall not be released of its obligations under these presents by any exercise by you of its liberty concerning matter aforesaid or any of their or by reason or any other act of omission or commission on your part or any other indulgence shown by you or by any other matter or changed what so ever which under law would, but for this provision, have the effect of releasing the bank.
7. The bank further agree that the Guarantee herein taken for the performance of the contract and all dues of GSRJL under or by virtue of this contract have been fully paid and its claim satisfied or discharged or till GSRJL discharges this guarantee in writing or till its date of expiry whichever is earlier.

8. The guarantee herein contained shall not be determined or affected by the liquidation or winding up dissolution or changes of the constitution or insolvency of the said contractor but shall in all respects and for all purposes be binding and operative until payment of all money due to you in respect of such liabilities is paid.
9. This guarantee shall not be discharged by any change in our constitution, in the constitution of GSRJL or that of the Contractor(s)/ Supplier.
10. Any notice or demand under this Guarantee shall be sent to our address at _____ (Insert Bank Address), and shall be deemed to have been received when sent via courier, registered post, or email.
11. The bank also agrees that the amount under the Bank guarantees is payable immediately without any delay by the Bank upon the written demand raised by GSRJL.
12. This guarantee shall be governed by Indian Laws and any dispute arising out of or concerning the said Bank Guarantee shall be subject to the jurisdiction of courts at Mumbai, India.
13. Notwithstanding anything contained herein above, our liability under this guarantee is limited to Rs. _____ (Rupees _____ only) and our guarantee shall remain in force until it is discharged by GSRJL in writing or till its expiry date i.e. _____ (indicate the date of expiry of bank guarantee).
14. After the date of expiry i.e. _____ this guarantee shall remain valid for further period of three months from the date of expiry i.e. _____. The Bank agrees to honour any claim under this Guarantee within three months from the date of expiry of this guarantee i.e. upto _____ (mention date after three months after expiry).
15. Therefore, we, as a result of this, affirm that we are guarantors and responsible to you on behalf of the Contractor up to a total amount of _____ (amount of guarantees in words and figures). We undertake to pay you, upon your first written demand declaring the Contractor to be in default under the contract and without caveat or argument, any sum or sums within the limits of (amounts of guarantee) as aforesaid, without your needing to prove or show grounds or reasons for your demand or the sum specified therein.
16. We have the power to issue this guarantee in your favour under the Memorandum and Articles of Association, and the undersigned has full authority to do so under the Power of Attorney, dated _____, granted to him by the Bank.

For and on behalf of
[Bank Name]

(SIGNATURE)
(NAME)
Designation with Bank Stamp

Witnesses:

1. (Signature, Name, Address)
2. (Signature, Name, Address)

INSTRUCTIONS FOR FURNISHING

“CONTRACT PERFORMANCE SECURITY / SECURITY DEPOSIT” BY “BANK GUARANTEE”

1. The Bank Guarantee by successful Bidder(s) will be given on non-judicial stamp paper as per ‘stamp duty’ applicable. The non-judicial stamp paper should be in the name of the issuing bank. In the case of a foreign bank, the said Bank Guarantee is to be issued by its correspondent bank in India on requisite non-judicial stamp paper, and the place of Bid is to be considered _____.
2. The Bank Guarantee by Bidders will be given from the bank as specified in the Tender.
3. A letter from the issuing bank of the requisite Bank Guarantee confirming that said Bank Guarantee and all future communication relating to the Bank Guarantee shall be forwarded to the Employer.
4. If a commercial bank issues a Bank Guarantee, then a letter to the Employer and copy to the Consultant (if applicable) confirming its net worth is more than Rs.100,00,00,000.00 [Rupees One Hundred Crores] or its equivalent in foreign currency along with documentary evidence.

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