

Appendix 2 Form A06 – Performance Bank Guarantee

TO,
CENTRAL BANK OF INDIA
CHANDRAMUKHI BUILDING
NARIMAN POINT
MUMBAI

In consideration of M/s Central Bank of India having Registered Office at Chandermukhi Building, Nariman Point, Mumbai 400 021 (hereinafter referred to as “Bank”) having agreed to purchase ----- (hereinafter referred to as “Goods”) from M/s ----- (hereinafter referred to as “Bidder”) on the terms and conditions contained in their agreement/purchase order No----- date----- (hereinafter referred to as the “Contract”) subject to the Bidder furnishing a Bank Guarantee to the Bank as to the due performance of the-----, as per the terms and conditions duly stipulated in the aforesaid contract, to be supplied by the Bidder and also guaranteeing the maintenance, by the Bidder , ----- as per the terms and conditions of the said contract;

1-We, ----- (detail address of Guarantor Bank) (hereinafter called “Guarantor Bank”), in consideration of the premises and at the request of the Bidder, do hereby guarantee and undertake to pay to the Bank, forthwith and immediate on mere written demand and without any demur, at any time within the validity date up to ----- any money or moneys not exceeding a total sum of Rs.----- (Rupees----- only) as may be claimed by the Bank to be due from the Bidder by way of loss or damage caused to or would be caused to or suffered by the Bank by reason of failure of Performance ----- as per the said contract, and also failure of the Bidder to maintain the ----- as per the terms and conditions of the said contract.

2-Notwithstanding anything to the contrary, the decision of the Bank as to whether Bidder has failed to perform as per the Terms and conditions of the said contract, and also as to whether the Bidder has failed to maintain the ----- as per the terms and conditions of the said contract will be final and binding on the Guarantor Bank and the Guarantor Bank shall not be entitled to ask the Bank to establish its claim or claims under this Guarantee but shall pay the Guarantee amount to the Bank forthwith on mere demand without any demur, reservation, recourse, contest or protest and/or without any reference to the Bidder. Any such demand made by the Bank on the Guarantor Bank shall be conclusive and binding notwithstanding:-

- (a) Any dispute that might have cropped up between the Bank and the Bidder, or
- (b) Any dispute might have been pending, between the Bank and the Bidder, before any court, Tribunal, Arbitrator or any other authority or
- (c) Any variation of the contract or any other act, omission or promise made by the Bank and agreed by the Bank and the Bidder, the effect of which, is the discharge of the Guarantor Bank.

Appendix 2 Form A06 – Performance Bank Guarantee

3-This Guarantee shall expire on -----; without prejudice to the Bank's claim or claims demanded from or otherwise notified to the Guarantor Bank in writing on or before the said date i.e. ----- (this date should be date of expiry of Guarantee).

4-The Guarantor Bank further undertakes not to revoke this Guarantee during its currency except with the previous consent of the Bank in writing and this Guarantee shall continue to be enforceable till the aforesaid date of expiry or the last date of the extended period of expiry of Guarantee agreed upon by all the parties to this Guarantee, as the case may be, unless during the currency of this Guarantee all the dues of the Bank under or by virtue of the said contract have been duly paid and its claims satisfied or discharged or the Bank certifies that the terms and conditions of the said contract have been fully carried out by the Bidder and accordingly discharges the Guarantee.

5-In order to give full effect to the Guarantee herein contained you shall be entitled to act as if we are your principal debtors in respect of all your claims against the Bidder hereby Guaranteed by us as aforesaid and we hereby expressly waive all our rights of surety ship and other rights if any which are in any way inconsistent with the above or any other provisions of this Guarantee.

6-The Guarantor Bank agrees with the Bank that the Bidder shall have the fullest liberty without affecting in any manner the Guarantor Bank's obligations under this Guarantee to extend the time of performance by the contractor from time to time or to postpone for any time or from time to time any of the rights or powers exercisable by the Bank against the Bidder and either to enforce or forbear to enforce any of the terms and conditions of the said contract, and the Guarantor Bank shall not be released from its liability for the reasons of any such extensions being granted to the Bidder for any forbearance, act or omission on the part of the Bank or any other indulgence shown by the Bank or by any other matter or thing whatsoever which under the law relating to sureties would, but for this provision have the effect of so relieving the Guarantor Bank.

7-The Guarantee shall not be affected by any change in the constitution of the Bidder or the Guarantor Bank nor shall it be affected by any change in the constitution of the Bank by any amalgamation or absorption or with the Bidder, Guarantor Bank or the Bank, but Guarantor Bank will ensure that this guarantee shall be available to and enforceable by the absorbing or amalgamated company or concern.

8-This guarantee and the powers and provisions herein contained are in addition to and not by way of limitation or in substitution of any other guarantee or guarantees heretofore issued by Guarantor Bank (whether singly or jointly with other banks) on behalf of the Bidder heretofore mentioned for the same contract referred to heretofore and also for the same purpose for which this guarantee is issued, and now existing un-cancelled and we the Guarantor Bank further mention that this guarantee is not intended to and shall not revoke or limit such guarantee or guarantees heretofore issued by us on behalf of the

Appendix 2 Form A06 – Performance Bank Guarantee

Bidder heretofore mentioned for the same contract referred to heretofore and for the same purpose for which this guarantee is issued.

8-Any notice by way of demand or otherwise under this guarantee may be sent by special courier, telex, fax or registered post to our local address as mentioned in this guarantee.

9-The expression “Bank”, “Guarantor Bank” and “Bidder” hereinbefore used shall include their respective successors and assigns.

10-Notwithstanding anything contained herein:-

(a)Our liability under this Bank Guarantee shall not exceed Rs. -----(Rupees----- only);

(b)This Bank Guarantee shall be valid up to -----; and

(c)We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before ----
----- (date of expiry of Guarantee).

The Guarantor Bank has power to issue this Guarantee under the statute/constitution and the undersigned has full power to sign this Guarantee on behalf of the Guarantor Bank.

Date this ----- day of ----- 2018 at Mumbai.

For and on behalf of ----- Guarantor Bank.

sd/- -----