

**NEW BG FORMAT (AMENDED)****FORM OF BANK GUARANTEE FOR PERFORMANCE DEPOSIT**

1. In consideration of KIOCL Limited (hereinafter called Company) having agreed to exempt.....(hereinafter called the said Supplier (s) / Contractor(s)) from demand under the terms and conditions of Work / Purchase Order No.....Dated.....made between.....and ..... for ..... (hereinafter referred to as 'contract') of performance security deposit for the due fulfillment by the said suppliers(s) / Contractor (s) of the terms and conditions contained in the said contract on production of a Bank Guarantee for Rs / Foreign Currency.....(Rupees / Foreign Currency.....only) we, ..... (hereinafter referred as "the Bank") at the request of Supplier, (s) Contractor (s) do hereby guarantee the payment to the Company an amount not exceeding Rs / Foreign Currency..... (Rupees / Foreign Currency.....only),

We, ..... [(indicate the name and address of the Bank) (hereinafter referred to as 'the Bank')] having Registered / Head office at ..... at the request of.....(Name and address of the supplier(s)/Contactor(s) ..... [Supplier(s) / Contractor(s)] do hereby undertake to pay to the Company an amount not exceeding Rs / Foreign Currency .....(Value of the Performance Security Deposit in figures and words)..... (Rupees/ Foreign Currency .....only) against any loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of any breach by the said Supplier(s)/ Contractor(s) of any of the terms or conditions contained in the said Contract.

2. We..... do hereby unconditionally and irrevocably undertake to pay to the Company an amount to the extent of Rs. / Foreign Currency ..... (Rupees/ Foreign Currency.....only) without any demur, merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of breach by the said Supplier(s) / Contractor(s) of any of the terms and conditions contained in the said Contract or by reason of the Supplier(s)/ Contractor(s) failure to perform the said contract. 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/ Foreign Currency.....(Rupees/ Foreign Currency .....only).
3. We undertake to pay to the Company any money so demanded notwithstanding any dispute or disputes raised by the Supplier(s)/ Contractor(s) in any suit or proceeding pending before any Court or Tribunal

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or Arbitrator or any other authority relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this Bank Guarantee shall be a valid discharge of our liability for payment thereunder and the Supplier(s)/ Contractor(s) shall have no claim against us for making such payment.

- 4. We..... (indicate the name of the Bank) further agree that the guarantee herein contained shall remain in full force and effect during the period from .....to ....., that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged or till the Company certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said Supplier(s) / Contractor(s) and accordingly discharges this Guarantee.

Unless a demand or claim under this Guarantee is made on us in writing on or before .....(90 days from the date of expiry of the Bank Guarantee), we shall be discharged from all liability under this Guarantee thereafter.

- 5. We ..... (indicate the name of the Bank) further agree with the Company that the Company shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend the time of performance by the said Supplier(s)/ Contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Company against the said Supplier(s)/Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Supplier(s)/Contractor(s) or for any forbearance, act or omission on the part of the Company or any indulgence by the Company to the said Supplier(s)/Contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

- 6. This Guarantee will not be discharged due to the change in the constitution of the Bank or the Supplier(s)/Contractor(s).

- 7. In order to give full effect to the Guarantee herein contained you shall be entitled to act as if we were your principal debtors in respect of all your claims against the CONTRACTOR(S)/SUPPLIER(S) hereby Guaranteed by us as aforesaid and we hereby expressly waive all our rights of suretyship and other rights if any which are in any way inconsistent with the above or any other provisions of this Guarantee.

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- 8. Further, we hereby certify that this guarantee is adequately stamped under the relevant State Stamp Act and any deficiency in execution of this Guarantee shall not have the effect of relieving us.
- 9. We..... also undertake not to revoke this Guarantee during its currency except with previous consent of the Company in writing.

Dated the .....day of .....(month & year)

for .....

(Bank Name and Address)

Place of Issue .....  
Bank Phone No. ....  
Bank Fax No. ....  
Bank E-MAIL ID. ....

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