**PERFORMANCE BANK GUARANTEE**

Bank Guarantee No.: \_\_\_\_\_\_\_\_\_\_\_\_

Dated : \_\_\_\_\_\_\_\_\_\_\_\_

1. In consideration of the Bharat Sanchar Nigam Limited (hereinafter called “the Owner”) having agreed to exempt……………………………………………………………………………(hereinafter called the said Contractor(s)) from the demand under the terms and conditions of an Agreement……………………………………………………………………………….……………(hereinafter called “the said Agreement”), of security deposit for the due fulfillment by the said contractor(s) of the terms and conditions contained in the said Agreement. We, …………………………………………………………………………(hereinafter referred to as “the Bank”) at the request of ………………………………………………………………………..(contractor(s)) do hereby undertake to pay the owner an amount not exceeding Rs………………….……… against any loss or damage caused to or suffered or would be caused to or suffered by the Owner by reason of any breach by the said contractor(s) of any of the terms or conditions contained in the said Agreement.

2. We, …………………………………………………………………………………..…………..(Name of the Bank) do hereby undertake to pay the amount due and payable under this Guarantee without any demur, merely on a demand from the Owner stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Owner by reason or breach by the said contractor(s) of any of the terms or conditions contained in the said Agreement or by reason of the contractor(s) failure to perform the said Agreement during the currency of Guarantee. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee where the decision of the Owner in these counts shall be final and binding on the Bank. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs……….

3. We undertake to pay to the Owner any money so demanded notwithstanding any dispute or disputes raised by the contractor(s)/supplier(s) in any suit or proceeding pending before any court or Tribunal relating thereto our liability under this present being absolute and un-equivocal. The payment so made by us under this bond shall be valid discharge of our liability for payment thereunder & the Contractor(s)/supplier(s) shall have no claim against us for making such payment.

4. We, ………………………………………………………………………….…………..(Name of the Bank) further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Owner under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till Owner, certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges this Guarantee. Unless a demand or claim under this Guarantee is made on us in writing on or before the expiry of …………………………………………..…………….(write time period) from the date hereof, we shall be discharged from all liability under this Guarantee thereafter.

5. We, …………………………………………………………………………………..…………………(Name of the Bank) further agree with the Owner that the Owner 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 Agreement to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Owner against the said contractor(s) and to forebear 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) or for any forbearance, act or omission on the part of Owner or any indulgence by the Owner to the said 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 Contractor(s)/Supplier(s).

7. We, …………………………………………………………………………………………………….……(Name of the Bank) lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Owner in writing.

8. Notwithstanding anything contained hereinabove, our liability under this guarantee is restricted to an amount of Rs………………………… only and it will remain in force up to\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.\_\_\_\_\_\_\_\_\_ and shall be extended from time to time for such periods as may be advised by…………………………………………………………………………………………………... (Name of the Contractor) on whose behalf, this guarantee has been given. We are liable to pay the Guarantee 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).

Dated…………….. Day of …………

For………………………………….