FORM OF BANK GUARANTEE FOR MOBILIZATION ADVANCE PAYMENT

(Reference Clause III (6) of Special conditions of contract)

(To be stamped in accordance with Stamp Act by issuing Bank)

No.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Bank Guarantee value : ( Rs. )\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Valid upto : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dear Sir,

In consideration of M/s. Name of Employer (hereinafter referred as the “Client” , which expression shall unless repugnant to the context or meaning thereof include it successors, administrators and assigns) having awarded to M/s. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as the “Contractor” which expression shall unless repugnant to the context or meaning thereof, includes its successors, administrators, executors and assigns), a contract by issue of Client’s Agreement dated \_\_\_\_\_\_\_\_\_\_ for the work of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_and the same having been unequivocally accepted by the Contractor, resulting in a Contract of value Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter called the “Contract’) and the Client having agreed to make a Mobilization advance payment to the Contractor for performance of the above Contract amounting to Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (in words and figures) as an advance against Bank Guarantee to be furnished by the Contractor.

We \_\_\_\_\_\_\_\_\_\_\_ (Name of the Bank) having its Head Office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as the Bank), which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators executors and assigns) do hereby guarantee and undertake to pay the Client immediately on demand any or, all monies payable by the Contractor to the extent of Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as aforesaid at any time upto \_\_\_\_\_\_\_\_ ( validity date ) without any demur, reservation, contest, recourse or protest and/or without any reference to the Contractor. Any such demand made by the Client on the Bank shall be conclusive and binding notwithstanding any difference between the Client and the Contractor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. We agree that the Guarantee herein contained shall be irrevocable and shall continue to be enforceable till the Client discharges this guarantee.

The Client shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee, from time to time to vary the advance or to extend the time for performance of the contract by the Contractor. The Client shall have the fullest liberty without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Client and to exercise the same at any time in any manner, and either to enforce or to forebear to enforce any covenants, contained or implied, in the Contract between the Client and the Contractor any other course or remedy or security available to the Client. The bank shall not be relieved of its obligations under these presents by any exercise by the Client of its liberty with reference to the matters aforesaid or any of them or by reason of any other actor forbearance or other acts of omission or commission on the part of the Client or any other indulgence shown by the Client or by any other matter or thing whatsoever which under law would but for this provision have the effect of relieving the Bank.

The Bank also agrees that the Client 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 and notwithstanding any security or other guarantee that the Client may have in relation to the Contractor’s liabilities.

Notwithstanding anything contained herein above our liability under this guarantee is limited to Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_ and it shall remain in force upto and including \_\_\_\_\_\_\_\_\_\_\_\_ ( Validity ) and shall be extended from time to time for such period (not exceeding one year), as may be desired by M/s. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ( Contractor ) on whose behalf this guarantee has been given.

Dated this \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_ 20 \_\_\_\_\_\_ at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

WITNESS:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (Signature) (Signature)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (Name) (Name)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (Official Address) Designation (with Bank stamp)

 Attorney as per Power of

 Attorney No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Strike out, whichever is not applicable.

Note 1 : The stamp papers of appropriate value shall be purchased in the name of Bank who issues

 “Bank Guarantee’.

Note 2 : The bank guarantee shall be from a Nationalized Indian Bank only.