**BANK GUARANTEE**

B.G. No\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 

M/s. PM……………………………………………..

Dear Sirs.

In consideration or M/s. PM…. having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ having agreed to pay M/s. CM having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter called the "Contractor") an advance amount of Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ under the terms and conditions of the contract No \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the supply, of work, (hereinafter called the "Contract") for the due fulfillment by the contractor of the terms and conditions contained in the Contract on production of a Bank Guarantee of Rs\_\_\_\_\_\_\_\_\_\_\_\_\_   
  
We, the Bank \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereinafter called the "Bank", at the request of the contractor do hereby undertake to pay to M/s. PM on receipt of their written demand an amount not exceeding Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ against any loss or damage caused to or suffered or would be caused to or suffered by M/s. PM… by reason of any breach by the contractor of any of terms and conditions contained in the contract.

We, the Bank, do hereby undertake to pay to M/s.PM.the amounts due and payable under this Guarantee, without any demur, merely on receipt of a written demand from M/s. PM… stating that the amount claimed is due by way of loss or damage caused to or suffered or would be caused or suffered by M/s. PM..by reason of breach by the contractor of any of the terms and conditions contained in the contract or by reason of the contractor's failure to perform the said contract. Any such demand made on the Bank on or before \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shall be conclusive as regards the loss or damage and the quantum of amount due and payable under this guarantee, subject however, our liability under the Guarantee shall be restricted to an amount not exceeding Rs\_\_\_\_\_\_   
  
We, the Bank, undertake to pay to M/s. PM. any money so demanded notwithstanding any dispute or disputes raised by the Contractor in any suit or proceeding including Arbitration proceedings pending before any Court of Tribunal relating thereto and our liability under these presents being absolute, unequivocal and irrevocable.

The payment so mad by us under this Guarantee shall be a valid discharge of our liability for payment there under and the Contractor shall have no claim against us for making such payment.   
  
We, the Bank, undertake not to revoke this guarantee during the currency of this guarantee except with the previous consent of M/s. PM in writing.

Notwithstanding anything contained hereinabove:

1. The liability under this Bank Guarantee shall not exceed Rs \_\_\_\_\_\_

2. This Bank Guarantee shall be valid up to\_\_\_\_\_\_ .and

3. The Bank is liable to pay guarantee amount or any part thereof under this bank Guarantee under and only if M/s. PM serves upon us a written Claim or Demand on or before \_\_\_\_\_\_.   
  
Date: \_\_\_\_\_\_

Place: \_\_\_\_\_\_

SEAL: