**PROFORMA OF BANK GUARANTEE FOR**

**CONTRACT PERFORMANCE**

(To be stamped in accordance with stamp act)

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

Date.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

To,

Cross Border Power Transmission Company Limited

………………………………………….

…………………………………………..

……………………………………

Dear Sirs,

In consideration of the Cross Border Power Transmission Company Ltd. (CPTC) , (hereinafter referred to as the “Owner” which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/s\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with its Registered/Head Office at\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as the “ Contractor” which expression shall unless repugnant to the context or meaning thereof include its successors, administrators, executors and assigns), a contract by issue of Owner’s Letter of Award No. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** dated **\_\_\_\_\_\_\_\_\_\_\_\_** and the same having been acknowledged by the Contractor, resulting in a Contract, bearing No **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** dated **\_\_\_\_\_\_\_\_\_** valued at Rs. **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** for work of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (scope of Contract) and the Contractor having agreed to provide a Contract Performance Guarantee for faithful performance of the entire Contract equivalent to Rs. \_\_\_\_\_\_\_\_\_\_\_ **\* (3%)** of the said value of the Contract to the Owner.

We\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Name & Address)

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, executor and assigns) do hereby guarantee and undertake to pay the Owner on demand any and all monies payable by the Contractor to the extent of Rs. \_\_\_\_\_\_\_\_\_\_\_ as aforesaid at any time upto **\_\_\_\_\_\_\_\_\_\_\_\_\_** \*\* (days/month/year) without any demur, reservation, contest, recourse or protest and /or without any reference to the Contractor.

Any such demand made by the Owner on the Bank shall conclusive and binding not withstanding any difference between the Owner and the Contractor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. The Bank undertakes not to revoke this guarantee during its currency without previous consent of the Owner and further agrees that the guarantee herein contained shall continue to be enforceable till the Owner discharges this guarantee.

The Owner shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee, form time to time to extend the time for performance of the Contract by the Contractor. The Owner 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 Contractor, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contact between the Owner and the Contractor or any other course or remedy or security available to the Owner. The Bank shall not be released of its obligation under these presents by any exercise by the Owner of its liberty with reference to the matters aforesaid or any of them or by reason of any other act of omission or commission on the part of the Owner or any other indulgences shown by the Owner 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 shall also agrees that the Owner at its option shall be entitled to enforce this Guarantee against the Bank as principal debtor, in the first instance without proceeding against the Contractor and not withstanding any security or other guarantee the Owner may have in relation to the Contractor’s liabilities.

Notwithstanding anything contained hereinabove our liability under this guarantee is restricted to Rs.\_\_\_\_\_\_\_\_\_\_\_\_and it shall remain in force upto and including **\_\_\_\_\_\_\_\_\_\_\_\_\*\*** and shall be extended from time to time for such period (not exceeding one year), as may be desired by M/s\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 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…………………………

Date…………………………………………

**NOTES:**

\* This Sum shall be ***three percent (3%)*** of the Contract Price

\*\* The date will be ninety (90) days after the date of scheduled completion of works as in the Contract

1. **The stamp papers of appropriate value shall be purchased in the name of issuing Bank**