

BANK GUARANTEE BOND FOR PERFORMANCE WARRANTY

(To be executed by the State Bank of India or any other scheduled Bank recommended by Reserve Bank of India on non-judicial stamp paper)

The Dean
Electro Optical Instruments Research Academy
Vignyanakancha Post,
HYDERABAD-500069

Dear Sir / Madam

Sub : Your Contract No. _____ dated _____
for _____

1. You, on behalf of Dean, ELOIRA have entered into a contract with reference no as given above with _____ (herein after referred to as the contractor) for the development, fabrication and supply of _____ (herein after referred to as stores) for the price and on the terms and conditions contained in the said contract.
2. In accordance with the terms of said contract the contractor has undertaken to produce a bank guarantee for Rs. _____ (Rupees _____ only) being _____ % of the total value of the said stores supplied to you, for the due fulfillment of its obligations to the President of India for due performance as per the contract during warranty period.
3. In consideration thereof, we hereby expressly, irrevocably and unconditionally undertake and guarantee as principal obligors on behalf of the contractor that in the event that the President of India submits a written demand to us that the contractor has not performed according to the contractual obligations included in the said contract, we will pay you on written demand, without demur and without reference to the contractor any sum up to a maximum amount of Rs. _____ (Rupees _____ only). Your demand shall be conclusive evidence to us that such repayment is due under the terms of the said contract. Payment by us to you will be made within thirty (30) days from receipt of your written request making reference to this guarantee and on demand.
4. This guarantee shall not be revoked without your express consent and shall not be affected by your granting any indulgence to the contractor, which shall include but not be limited to postponement from time to time of the exercise of any powers vested in you or any right which you may have against the contractor and to exercise the same in any manner at any time and either to forbear or to enforce any covenant contained or implied in the said contract or any other course or remedy or security available to you, and our Bank shall not be released from its obligations under this guarantee by your exercising any of your rights. with reference to matters aforesaid or any of them or by reason of any other act or forbearance or other acts of omission or commission on your part or any other indulgence shown by you

or by any other matter or thing whatsoever which under law would, but for this provision, have the effect of relieving our Bank from its obligation under this guarantee.

5. Notwithstanding anything herein contained, our liability under this guarantee is restricted to Rs. _____ (Rupees _____ only) and the gurantee shall remain in force up to and including the _____ day of being reported to us by you and returned to us duly discharged.
6. Unless a demand or claim under this guarantee is made on us in writing on or before the aforesaid expiry date as provided above or unless this guarantee is extended by us all your rights under this guarantee shall be proscirbed and we shall be discharge from the liabilities hereunder.
7. This guarantee shall not be affected by any change in the constitution of our Bank or of the contractor or for any other reason whatsoever.

Date :

Sd.....

Place

Bankers

Seal of the Bank

Witness :

1.

2.