

**DRAFT FOR PERFORMANCE BANK GUARANTEE**

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

Whereas on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, M/s. \_\_\_\_\_  
\_\_\_\_\_ at \_\_\_\_\_  
\_\_\_\_\_ (hereinafter referred to as Supplier, which expression shall unless repugnant to the context or contrary to the meaning thereof, include its successors and assigns), has accepted Order bearing no. \_\_\_\_\_ for a total value of Rs. \_\_\_\_\_ from Linde Engineering India Pvt. Ltd. having its main office at 38, Nutan Bharat Society, Alkapuri, Baroda – 390 007, (hereinafter referred to as Buyer, which expression shall unless repugnant to the context or contrary to the meaning thereof, include its successors and assigns), for supply of equipment and fulfillment of the terms and conditions and obligations as stated in the aforementioned Order.

And whereas the Buyer has agreed, in pursuance of the terms and conditions of the said Order, to pay the last \_\_\_\_% of the Order value for the equipment / material (amounting to Rs. \_\_\_\_\_) to the Supplier against Bank Guarantee for the equivalent amount.

Now, we \_\_\_\_\_(Name of the Bank and Address), hereinafter called “The Bank”, in consideration of the Buyer having agreed to pay the last \_\_\_\_% Order value of the equipment / material, hereby establish this irrevocable guarantee for the said amount being Rs. \_\_\_\_\_ in favour of the Buyer.

And we hereby undertake to pay a sum not exceeding Rs. \_\_\_\_\_ to the Buyer at its main office without any demur, dispute or objection of whatsoever nature, forthwith on a written demand from Buyer stating that the Supplier has not complied with his contractual terms and conditions and obligations in respect of which such last \_\_\_\_% payment has been made. The decision of the Managing Director of

the Buyer as to whether the Supplier has or has not committed breach of its contractual terms, conditions and obligations and as to the amount due for payment under this Guarantee shall be final and binding to us.

And this Guarantee will come into force as soon as the Supplier has received the last \_\_\_\_% payment of Rs. \_\_\_\_\_ and shall be valid for such period of time until the expiry of Supplier's Guarantee and Warranty obligations as per terms and conditions of the Order remain upon to the debit of the Supplier.

And we (The Bank – Name of Banker and Address) hereby agrees that our liability under this Guarantee shall not be determined or affected by the liquidation or winding up or amalgamation or insolvency of the Supplier or by virtue of any arbitration or any arrangement between the Supplier and the Buyer with or without our knowledge and / or consent.

This guarantee shall remain in full force, virtue and effect and shall be binding and operative until the expiry of the Supplier's warranty for the equipment as per the terms, conditions and obligations of the Order provided that the Buyer shall have the right to make its claim under this Guarantee any time during the period of six months from the expiry of the Guarantee.

In the event of cases of force majeure or in the event of recourse to arbitration according to the terms and conditions of Order, the validity period of our guarantee shall be accordingly extended at the request of the Buyer until the claims of the Buyer is finally settled.

Notwithstanding anything hereinabove contained including what is stated in clauses thereof, our liability under the guarantee is restricted to Rs. \_\_\_\_\_. Unless a demand or claim under this Guarantee has reached us in writing on or before the ending of the claim period we shall be discharged from all liability under this Guarantee thereafter.

This Guarantee is to be returned to us upon expiration of our obligations thereunder.

This issue of this Guarantee is permitted according to the laws of Government of India.

Signed on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.  
(The Bank)