

Form of Guarantee Bond for Security (To be used Approved Scheduled Bank)

1. In consideration of the Pashchimanchal Vidyut Vitran Nigam Ltd., Meerut (hereinafter called 'the Nigam') having agreed to exempt _____ (hereinafter called 'the contractor's) from the demand, under the terms and conditions of an Agreement dated _____ made between _____ and _____ for thereinafter called, 'the agreement') of security deposit for the due fulfillment by the said Contractor (s) of the terms and conditions in the said agreement, on production of a Bank Guarantee for Rs. _____ (Rupees _____ only). We _____ Bank Ltd. (hereinafter referred to as "the Bank") do hereby undertake to pay to the Nigam an amount not exceeding Rs. _____ against any loss or damage caused to or suffered or would be caused to or suffered by the Nigam by the reason of any breach by said Contractor(s) of any of the terms and conditions contained in the said agreement.
2. We _____ Bank Ltd. do hereby undertake to pay the amount due and payable under this guarantee without any demur merely on demand from the Nigam stating that the amount claimed is due by way of loss or damage caused or would be caused to or suffered by the Nigam by reason of any breach by the said Contractor of any of the terms and conditions contained in the said Agreement or by reason of the Contractors failure to perform the said agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount no exceeding to Rs. _____.
3. We _____ Bank Ltd. further agree that the guarantee herein contained shall remain in full force, effect during the period that would be taken for the performance of the said agreement, and that it shall continue to be enforceable till all the dues of the Nigam under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till the Nigam or their only Authorized Officer certified that the terms and conditions of the said agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges the Guarantee.
4. We _____ Bank Ltd., further agree with the Nigam that the Nigam shall have the fullest liberty without our consent and without effecting in any manner of obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said Contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Nigam the said contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation or extension or extension being granted to the said Contractor(s) or for and forbearance act or commission on the part of the Nigam or any indulgence by the Nigam to the said contractor(s) or by any

(2)

such matter or thing whatsoever which, under the law relating to sureties, would but for this provision have effect or so relating us.

5. We _____ Bank Ltd., lastly undertake not revoke this guarantee during its currency except with the previous consent of the Nigam in writing.
6. Notwithstanding anything contained above, the liability of the guarantee hereunder is restricted to the said sum of Rs. _____ and this guarantee shall expire on the _____ day of _____ 200 _____ unless a claim under the guarantee is filed with the guarantee or within six months of such date, all claims shall lapse and the guarantor shall be discharged from the guarantee.
7. We _____ Bank Ltd. lastly undertake to pay to the Nigam any money so demanded notwithstanding any dispute or disputed raised by the Contractor(s) /supplier (s) in any suit or proceeding, pending before any Court or Tribunal relating to arbitration thereto or liability under this present being absolute and un-equivocal. The payment so made by us under this Bond shall be a valid discharge of our liability for payment there under and the Contractor (s) /supplier(s) shall have no claims against us for making such payment.

Date _____ -days of _____ 200 _____
For _____ Bank Ltd.