

Format for Bank Guarantee for Advance Warranty Payment

(To be submitted on Non-Judicial stamp paper of appropriate value Purchased in the name of the issuing Bank)

To: Name and Address of the PURCHASER

WHEREAS

(Name and address of M/s xxxxx Ltd) (hereinafter referred to as "our constituent" which expression includes its successors and assigns) entered into an agreement dated _____ with you for supply, transportation, transit insurance, local delivery, storage and installation insurance up to Acceptance by the bank, cabling, installation, commissioning and integration, Acceptance testing and also includes documentation, warranty, annual maintenance, if contracted, and training of your personnel related to(Description of RFP)(hereinafter referred to as "the said agreement").

In terms of Clause no.____ of the said agreement, our constituent is required to furnish a Bank Guarantee to secure our constituent's undertaking to comply with the contractual obligations in relation to warranty for a sum of Rs._____ (Rupees _____Only) being 10% of the total consideration so as to enable you to release the equivalent amount to our constituent being 10% of the total consideration payable after the expiry of the warranty period of years that is _____ from the date of installation of the(Description of RFP) i.e. _____.

NOW THIS LETTER OF GUARANTEE WITNESSETH:

That in consideration of your agreeing at the request of our constituent to release a sum of Rs._____ (Rupees _____ Only) being 10% of the total consideration-amount to our constituent, we (Name of the issuing bank), do hereby agree and undertake that in the event of our constituent committing breach of any of the undertakings or committing default in fulfilling any obligations arising out of the said agreement, we (Name of the issuing bank) shall on demand pay you without any demur Rs _____ (Rupees _____ Only).

We further agree that,

1. We will make the payment of the said amount pursuant to the demand made by you, notwithstanding any objections or dispute that may exist or arise between you and our constituent or any other person.
2. Your demand on us shall be deemed as the final proof of breach of any undertaking or default of the contractual obligation on the part of our constituent.
3. This guarantee shall be irrevocable and shall not be discharged except by payment or by absence of demand by you on or before _____.
4. Our liability under this guarantee shall be restricted to Rs._____ (Rupees _____ Only).
5. Our liability under this guarantee shall cease to exist unless a demand is made by you on or before _____.

We further agree that, exercise of any of your right against our constituent to enforce or forbear to enforce or any other indulgence or facility extended to our constituent would not release our liability under this guarantee, and that your right against us shall remain in full force and effect, notwithstanding any arrangement that may be entered into between you and our constituent.

Notwithstanding anything contained herein

- i. Our liability under this guarantee shall not exceed Rs. _____
(Rupees _____ only)
- ii. This guarantee shall be valid upto _____ and ;
- iii. We are liable to pay the guaranteed amount or any part thereof under this guarantee only and only if you serve upon us a written claim or demand at Bengaluru on or before _____ (mention period of the guarantee as found under clause ii. above plus claim period).

Dated this _____ day of _____ 2020.

For and on behalf of

BRANCH MANAGER

SEAL,

ADDRESS,

PLACE.