

**BANK GUARANTEE  
TOWARDS PERFORMANCE BOND  
(FOR BRIDGE CONSTRUCTION WORK)**

To,

Executive Engineer  
P.W.D. Bridge Division, Jabalpur  
Madhya Pradesh, India

1. WHEREAS on or about the .... Day of ..... 2017 M/s (**Company Name**)..... A company registered under **Company Act 1956/2013** and having its registered office at (**Office address**)..... (Hereafter referred to as "**The Contractor**") entered into a Agreement / **Letter of Acceptance** hearing No (**Agreement/LOA No**) ..... Dated (**Agreement/LOA Date**) ..... (Hereafter referred to as "**The Contract**") with the (**BG Favor department name**) ..... (Hereafter referred to as "**The Government**") For Construction work [Name of work] (**Tender work name**) ....., **Tender No:** ..... (Hereafter referred to as "**The Work**")

2. AND WHEREAS under the terms and conditions of the contract an amount of **Rs. (PAC Value)**..... (**Rupees** ..... **only**) (**Bidding percent**) .....% **Above / Below** representing balance (**Security Deposit Percent**) ..... **Percent** payment out of the total value of the contract of **Rs. (Contract Amount)** ..... (**Rupees** ..... **only**) is to be paid to the Government on the final acceptance of the work and on the contractor furnishing a bank guarantee in a manner herein contained towards satisfactory performance of the said work during warranty periods, via (**BG period**) ..... **months** from the date of acceptance /commissioning of the said.

3. NOW WE, the (**Bank & Branch**) ..... in consideration of the promises and payment of said sum of **Rs. (Security Deposit Amount)** ..... (**Rupees** ..... **only**) by the Contractor to the Government do hereby agree and undertake to pay the (**BG Favor department name**) ....., on the behalf of Contractor the amount of due and payable under the guarantee without any demur, merely on a demand from the (**BG Favor department name**) ..... stating that the amount claimed is due by way of loss or damage caused to or suffered by the Government by reason of the contractor(s) 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 not exceeding **Rs. (Security Deposit Amount)** ..... (**Rupees** ..... **only**).

4. WE, (**Bank & Branch**) ..... undertake to pay the Government any money so demanded notwithstanding any dispute or disputes raised by the contractor(s), in any suit or proceeding pending before any Court and Tribunal relating thereto, our liability under this percent guarantee bond being

absolute and unequivocal. The payment so made by as under this bond shall be valid discharge of our liability for payment thereunder and the Contractor(s) shall have no claim against us for making such payment.

5. WE, **(Bank & Branch)** ..... hereby further agree that the Decision of **(BG Favor department name)** ..... as to whether the said equipment is giving satisfactory performance or not during the warranty period and so as the amount of damaged suffered by the Government on account of unsatisfactory performance to said equipment shall be final and binding on us.

6. AND WE, **(Bank & Branch)** ..... do hereby agree that the liability hereunder shall not discharged by virtue of any agreement between the Government and the Contractor whether with or without our knowledge and/or consent or by any reason of the Government showing any indulgence or for balance to the contractor whether as to payment, time for performance, or any other matter whatsoever relating to the contract which but for the provision would amount to discharge of the surety under the law.

7. THIS GUARANTEE will not be discharged due to the change in the constitution of the Bank or the Contractor(s).

8. Notwithstanding anything contained herein

a) Our liability under the bank guarantee shall not be exceed **Rs. (Security Deposit Amount)** ..... **(Rupees ..... only).**

b) This bank Guarantee Shall be valid up to **(BG Period)** ..... **months** from the date of issue and,

c) We are liable to pay the guarantee amount or any part thereof under the Bank Guarantee only and only if you serve upon us a written claim or demand on or before the **(BG Period)** ..... Day of ..... 2017

Dated the..... Day of ..... 2017

For .....  
**(Bank Name)**  
**(Branch Name)**