

TO BE PROVIDED IF CONTRACT AWARDED

**PROFORMA OF BANK GUARANTEE FOR PERFORMANCE BOND
(To be stamped in accordance with stamp Act)**

The non- judicial stamp paper should be in the name of issuing bank.

Ref. No. _____ Bank Guarantee No. _____
Date _____

To,

The General Manager
Nagaland State Transport,
Nagaland : Dimapur.

Dear Sir,

1. In consideration of GOVERNMENT OF NAGALAND, Nagaland State Transport Department, Nagaland : Dimapur (hereinafter referred to as GOVERNMENT OF NAGALAND which expression shall unless repugnant to the context or meaning thereof include all its successors, administrators, executors and assigns) and having entered into a contract Dated, _____ (herein after called the Contract which expressions shall include all the amendments thereto) with M/s. _____ having its head/Registered office at _____ (herein after referred to as the Bidder which expression unless repugnant to the context or meaning thereof, shall include all its successors, administrators, executors and assigns) and the contract having been unequivocally accepted by the Bidder resulting in a contract bearing No. _____ Dated, _____ value at Rs. _____ (in figures) _____ (in words) for _____ (Scope of work _____) and GOVERNMENT OF NAGALAND having agreed that the Bidder shall furnish to GOVERNMENT OF NAGALAND performance guarantee for the faithful performance of the entire contract to the extent of 10% of the value of the contract Rs. _____ we _____ (name of the Bank) _____ having its registered office at _____ (hereinafter referred to as "the bank" which expression shall unless repugnant to the context on meaning thereof include all its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay immediately on first demand in writing in Rupees _____ as any and all monies to the extent of Rs _____ (in figures) Rs. _____ (in words) in aggregate at any time without any demur, reservation or resources, contest or protest and/or without any reference to the Bidder. Any such demand made by GOVERNMENT OF NAGALAND and Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. We agree that Guarantee herein contained shall be irrevocable and shall continue to be enforceable till it is discharged by GOVERNMENT OF NAGALAND in writing.

2. GOVERNMENT OF NAGALAND shall have the fullest liberty, without affecting in any way the liability of the Bank under this Guarantee from time to time to extend the time for performance of the contract by the Bidder or vary the terms of the Contract. GOVERNMENT OF NAGALAND shall have the fullest liberty without affecting this Guarantee to postpone from time to time, the exercise of power vested in them or any rights which they might have against the Bidder and to exercise the same at any time, any manner and either to enforce or to forbear to enforce any covenants contained or implied in the contract between GOVERNMENT OF NAGALAND and the Bidder or any other course or remedy or security available to GOVERNMENT OF NAGALAND. The bank shall not be released of its obligation under these presents by any exercise by GOVERNMENT OF NAGALAND of its liberty with reference to matters aforesaid of any of them or by reason of any other act or forbearance of other acts commission or omission on the part of GOVERNMENT OF NAGALAND or any other indulgence shown by GOVERNMENT OF NAGALAND or by any other matter or thing whatsoever, which under law would, but for this provision have the effect of relieving the bank.

The bank undertakes that in case the period of the contract is extended beyond the initial period of 2 (two) years it shall extend the Bank Guarantee for another period for up to one year on written instruction from GOVERNMENT OF NAGALAND.

3. The Bank also agrees that GOVERNMENT OF NAGALAND at its option shall be entitled to enforce this Guarantee against the bank as a principal debtor, in the first instance, without proceeding against the Bidder notwithstanding any security or other guarantee that GOVERNMENT OF NAGALAND may have in relation to the Bidder's liability.
4. The Bank further agrees that the Guarantee herein contained shall remain in full force during the period that is taken for the performance of the contract i.e complete delivery of the material/ equipment as the same is a condition of supply contract and all the dues of GOVERNMENT OF NAGALAND under or by virtue of this contract have been fully paid and its claim satisfied or discharged or till GOVERNMENT OF NAGALAND discharges this guarantee in writing.
5. We further agree that as between us and GOVERNMENT OF NAGALAND for the purpose of this guarantee any notice given to us by GOVERNMENT OF NAGALAND that the money is payable by the bidder and any amount claimed in such notice by GOVERNMENT OF NAGALAND shall be conclusive and binding on us notwithstanding any difference between GOVERNMENT OF NAGALAND and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. We further agree that this Guarantee shall not be affected discharged by any change in our constitution and the constitution of GOVERNMENT OF NAGALAND or that of the Bidder. We also undertake not to revoke this Guarantee during its currency. This guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the Bidder and shall remain valid binding and operative against the Bank.

6. Notwithstanding anything contained herein above, our liability under this Guarantee is limited to Rs. _____ (Rupees _____) only in aggregate and it shall remain in full force up to and including 120 days after _____ (indicate the date of expiry of bank guarantee) _____ unless extended further from time to time, for such period as may be instructed in writing by GOVERNMENT OF NAGALAND up to period of six months in which case it shall remain in full force up to and including 60 days after expiry of the extended period. Any claim under this Guarantee must be received by us before the expiry of 60 days after the said date/extended date whichever is later. If no such claims have been received by us within 60 days after the said/extended date, right of GOVERNMENT OF NAGALAND under this Guarantee will cease. However, if such claim has been received by us within and up to 60 days after the said date/extended date, all the rights of GOVERNMENT OF NAGALAND shall not cease until we have satisfied that claim.
7. The Bank confirms that this Guarantee has been issued with the approval of the appropriate Exchange Control Authorities and other authorities as required in _____ (indicate the name of the country of issue of Guarantee) _____ as also agree that this guarantee shall be governed an construed in accordance with Indian laws and subject to the exclusive jurisdiction of Indian Courts (This is applicable where other party is foreign one)

Dated this _____ day of _____

Witness No. 1

(Signature)

(Signature)

Full Name and Official address
in capital letters.

Full Name and Official address
in capital letters.

Witness No. 2

Designation with Bank Stamp.

(Signature)

Attorney as per power of Attorney No. _____

Full name and Official address in capital letters Dated _____