

BANK GUARANTEE FORMAT FOR ADVANCE PAYMENT

The President of India,
(acting through the
Director, Purchase and Stores)
Department of Atomic Energy,
Vikram Sarabhai Bhavan,
Anushaktinagar,
Mumbai-400 094.

WHEREAS on or about the.....day of.....
M/s..... a company registered **under** the Companies act
1931/1956 and having its registered office at(hereinafter
referred to as 'The Contractor') entered into an agreement bearing
No.....(hereinafter referred to as ' The Contract') with the President of India
acting through the Director, Purchase & Stores, Directorate of Purchase & Stores, Department of Atomic
Energy (hereinafter referred to as 'The Government')
for.....(hereinafter referred to as 'The Equipment').

2.AND WHEREAS under the terms and conditions of the contract an amount of
Rs.....(Rupees.....Only) representing
..... Percent advance payment out of a contract value of Rs.....
(Rupees.....Only)is to be paid by government to the contractor.

3.AND WHEREAS AND WHEREAS the Government has agreed in pursuance of the said terms
and conditions of the contract to make an advance payment of Rs..... (Rupees
.....only) to the Contractor on the Contractor furnishing a
Bank Guarantee in the manner herein contained.

4.NOW WE,..... (Bank) in consideration of the Government
having agreed to pay to the Contractor an advance payment of Rs.....
(Rupees.....only)do hereby agree and undertake to indemnify the
Government and keep the Government indemnified to the extent of a sum not exceeding the said sum of
Rs.(Rupees..... only)
against any damage or loss that may be suffered by the Government by reason of non-fulfillment of any
of the terms and conditions of the contract by the Contractor.

5. We,..... (Bank) do hereby undertake to pay the amount
due and payable under this guarantee without any demur merely on a demand from the Director, Purchase
& Stores, Department of Atomic Energy on behalf of the Government stating that the amount claimed is
due by way of loss or damage caused to or would be caused to or suffered by the Government by reason
of breach by the said Contractor(s) of any of the terms and conditions contained in the said agreement or
by reason of the Contractor(s) '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.....(Rupees.....only).

6. We,..... (Bank) undertake to pay to 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 or Tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge of our liability for payment thereunder and the contractor(s) shall have no claim against.

7. AND We,..... (Bank) hereby further agree that the decision of the said Director, Purchase & Stores as to whether the Contractor has committed breach of any such terms and conditions of the contract or not and as to amount of damages or loss assessed by the said Director, Purchase and Stores as damage or loss suffered by the government on account of such breach would be final and binding on us.

8. We.....(Bank) further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our 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 Government against 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 being granted to the said Contractor(s) or for any forbearance, act or commission on the part of the Government or any indulgence by the Government to the said Contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of relieving us.

9. This guarantee will not be discharged due to the change in the constitution of the Bank or the contractor(s).

10. Our guarantee shall remain in force until..... And unless a claim under the guarantee is lodged with us within six months form that date all rights of the government under the guarantee shall be relieved and discharged form all liabilities thereunder.

Dated the day of200

For
(Indicate the name of bank)