PERFORMANCE BANK GUARANTEE

To be issued on non-judicial stamp paper or with an e-stamp certificate of the value the state requires

Guarantee no.	Issued on	Amount	Valid until

Beneficiary (client)	Applicant (contractor)	Guarantor (bank)
Name	Name	Bank
Address	Address	Branch
Contract	Contract value	IFSC

1. Background

The Beneficiary and the Applicant have entered into the contract referred to above. Clause [clause no.] of the contract requires the Applicant to furnish a performance guarantee from a scheduled bank for [number]% of the contract value, valid until [the claim period]. At the Applicant's request, we, [Bank name], [Branch], give this guarantee.

2. Undertaking

We irrevocably and unconditionally undertake to pay the Beneficiary, on its first written demand and without demur, protest or reference to the Applicant, any amount up to [amount in figures and words] that the Beneficiary states is due to it because the Applicant has failed to perform its obligations under the contract. The Beneficiary's written demand is conclusive as to the amount due under this guarantee.

3. Our liability

Our total liability under this guarantee is limited to [amount]. We will pay within [number] Business Days of receiving a demand that complies with clause 5, even if the Applicant disputes it.

4. Validity and claim period

This guarantee is valid until [expiry date] (the expiry date). We are released from all liability unless a written demand reaches us at the branch above on or before [last date for claims] (the claim period end date), which is not less than one year after the expiry date.

5. How to claim

A demand must be in writing, signed by an authorised signatory of the Beneficiary, refer to this guarantee number, state the amount claimed and that the Applicant has failed to perform the contract, and reach us at the branch above [or through the SFMS message from the Beneficiary's bank] before the claim period end date.

6. Not affected by changes

This guarantee is not affected by any change in the contract, any extension of time or indulgence given to the Applicant, any change in the constitution of the Applicant, the Beneficiary or us, or the Applicant's insolvency. We waive notice of all such changes.

7. Extension and return

This guarantee may be extended only by our written amendment issued at the Applicant's request. When the Applicant's obligations end, the Beneficiary will return the original guarantee, or confirm in writing that it is released, so the Applicant can close it with us.

8. Law and courts

This guarantee is governed by the laws of India. The courts at [city] have jurisdiction.

For and on behalf of [Bank name]: authorised signatory, with name, designation, employee code and seal

Witness