

## **FORM OF BANK GUARANTEE BOND FOR PERFORMANCE GUARANTEE**

### **GUARANTEE BOND**

**To  
FA & CAO/Con,  
S.C. Railway,  
Secunderabad.**

1. In consideration of the President of India acting through Chief Admn.Officer/C, S.C.Railway, Secunderabad hereinafter called "the Government" having agreed to exempt\_\_\_\_\_ (hereinafter called "the said Contractor's from the demand, under the terms and conditions of an Agreement dated \_\_\_\_\_ made between\_\_\_\_\_ and \_\_\_\_\_ for \_\_\_\_\_ (hereinafter called "the said Agreement"), of Performance Guarantee for the due fulfilment by the said Contractor(s) of the terms and conditions contained in the said Agreement, on production of a bank Guarantee for Rs.\_\_\_\_\_ (Rupees \_\_\_\_\_ only).

We, \_\_\_\_\_ (hereinafter referred to as "the Bank") at the request  
(indicate the name of the bank)

of \_\_\_\_\_ (Contractor(s) do hereby undertake to pay to the Government an amount not exceeding Rs. \_\_\_\_\_ against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said Contractor(s) of any of the terms or conditions contained in the said Agreement.

2. We \_\_\_\_\_ do hereby undertake to pay the amounts due  
(indicate the name of the bank)

and payable under this guarantee without any demur, merely on a demand from 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 or conditions contained in the said Agreement or 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. \_\_\_\_\_.

3. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the contractor(s)/ supplier(s) in any suite 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 there under and the contractor(s)/supplier(s) shall have no claim against us for making such payment.

4. We, \_\_\_\_\_ further agree that the guarantee herein contained  
(indicate the name of bank)

shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till Chief Admn. Officer/Constn/S.C.Railway/Sec'bad' office/ Engg. Department/ Ministry of Railways certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said Contractor(s) and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the \_\_\_\_\_, we shall be discharged from all liability under this guarantee thereafter.

5. We \_\_\_\_\_ further agree with the government that the (indicate  
the name of Bank)

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 omission on the part of the Government or any indulgence by the Government to the said Contractor(s) or any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s)/ Supplier(s).

7. We, \_\_\_\_\_ lastly undertake not to revoke this guarantee  
(indicate the name of bank)

during its currency except with the previous consent of the Government in writing.

Dated the \_\_\_\_\_ day of \_\_\_\_\_

For \_\_\_\_\_

(indicate the name of bank)