

BANK GUARANTEE FORMAT FOR PERFORMANCE GUARANTEE

Bank Guarantee No. _____ date _____

Reference LOA No. _____

Name of Contract _____

To,
PFA,
North Eastern Railway,
Gorakhpur.

In consideration of the President of India (herein after called "the Government"), acting through PFA/North Eastern Railway, Gorakhpur, having agreed to exempt _____ (hereinafter called "the said contractor (s)") from the demand, under the terms and conditions of an Agreement/ LOA No. _____ **dated** _____ made between M/s. _____ and The Senior Divisional Electrical Engineer, Loco Shed, Gonda, N.E. Railway, for _____ **(name of work)** (hereinafter called "the said Agreement") of performance guarantee for the due fulfillment by the said Contractor (s) of the terms and conditions contained in the said Agreement, on production of an irrevocable bank guarantee for Rs. (Rupees _____ only) i.e. 5% of the contract value.

1. We, _____ (here in after referred to as "the Bank") (indicate name of the Bank) at the request 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 _____ (Indicate the name of the Bank) do hereby undertake to pay the amounts due 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 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 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 there under and the contractor(s)/supplier(s) shall have no claim against us for making such payment.

4. We, _____ (indicate the name of the Bank) further agree that the guarantee herein contained 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 Senior Divisional Electrical Engineer, Loco Shed, Gonda, N.E. Railway 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, _____ the (Indicate the name of 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 reasons 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, _____ (Indicate the name of Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing.

Dated the _____ day of _____
for _____ (Indicate the name of Bank)

FORMAT FOR DEED OF EXTENSION OF BANK GUARANTEE BOND

This Deed of Extension of Original Bank Guarantee Bond No.dt.
for Rs. (Rupees)
executed in favour of President of India, acting through PFA/N.E. Railway, Gorakhpur on behalf of
M/s. by Bank.

We Bank have executed Original Bank Guarantee Bond
No. Dated for Rs. (Rupees)
In favour of President of India, acting through PFA/N.E. Railway, Gorakhpur on behalf of
M/s. valid upto We, hereby extend the period of
validity of the said original Bank Guarantee/Extended Bank Guarantee up to

All other terms and conditions mentioned in the original Bank Guarantee remain unchanged and shall form part of this Extension Deed. The claim under the above Bank Guarantee Bond should be made in writing on or before

Signature of Branch Manager