

**FORM OF IRREVOCABLE GUARANTEE BOND FOR PERFORMANCE GUARANTEE (PG).**

**BANK GUARANTEE BOND**

The President of India,

Through the Sr. Divisional Finance Manager,

Western Railway, Rajkot Division,

Divisional Railway Manager's Office,

Rajkot Division.

1. In consideration of the President of India (hereinafter called "the Government") having agreed to accept from.....hereinafter called "the said Contractor/s"), under the terms and conditions of an Agreement/ Acceptance letter no. .... dated. .... Made between.....and .....(hereinafter called "the said Agreement") the Performance Guarantee for the due fulfillment by the Contractor/s of the terms and conditions in the said Agreement on production ..... of Bank Guarantee for Rs.....Rupees.....only). We, ..... (indicate the name of the Bank hereinafter referred to as "the Bank") at the request of .....contractor/s do hereby under take to pay the Government an amount not exceeding Rs.....against any loss or damage caused to or suffered by or would be caused to or suffered by 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 demand from the Government stating that the amount claimed is by way of loss or damage 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 Agreement, any such demand made on the Bank shall be conclusive as regards the amount due and payable to 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 contractor(s)/ suppliers(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 contractors(s)/ supplier(s) shall have no ..... 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, including Maintenance/ Warrantee Period, and that it shall continue to be enforceable till dues of the Government under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged or till..... office/Department/ Ministry of Railway certifies that the terms and conditions of the Agreement have been fully and properly carried out by the said Contractor(s) and accordingly discharged this guarantee, unless a demand or claim under this guarantee is made on us in writing on or before the ..... we shall discharge from all liability under this guarantee thereafter.

5. We, .....(indicate name of the 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 from any time or from time to time any of the powers exercisable by the Government against the said contract and to forebear 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 contractor/s or for any forbearance act or omission on the part of the Government or indulgence by the Government to the said contractor(s) or such any 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 change in the constitution of the bank or the Contractor(s)/ Supplier(s).
7. We, .....(indicate the name of Bank) .....undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing.

Date this .....day of.....20...

For .....

(Indicate the name of Bank)