

PROFORMA FOR BANK GUARANTEE TOWARDS SECURITY DEPOSIT (SD)

To:

The President of India
Acting through Principal Financial Adviser,
CENTRAL RAILWAY, MUMBAI CSMT.

GUARANTEE BOND

In consideration of the President of India (hereinafter called "the Government") having agreed to exempt M/s _____ (hereinafter called "the said Contractor(s)") from the demand under the terms & conditions of an Agreement dated _____ made between PCMM, Central Railway, 1st Floor, N A Bldg, D N Road, Mumbai CSMT- 400001 and M/s _____ for (Description of the item) _____ (hereinafter called "the said Agreement"), of Security Deposit for due fulfillment by the said Contractor (s) of the terms & conditions contained in the said Agreement on production of a 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 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 here by 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 damages caused to 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 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)/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 thereunder and the Contractor(s)/Suppliers(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 PCMM (Office/Department) Ministry of Railways certifies that the term and conditions of the said Agreement has 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 (date) _____, we shall be discharged from all liability under this Guarantee thereafter.

...2/-

5. We _____ (Indicate the 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 for any time 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 by 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)/ Suppliers(s).

7. We _____ (Indicate the name of the Bank) lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Government in writing.

Date the day of20__
For.....(Indicate the name of the Bank)
(Bank's Common Seal)