Model Form of Bank Guarantee Bond [paragraph 2.2.7.2]

GUARANTEE BOND

1. In consideration of the President of India (hereinafter called 'the Government') having agreed to exempt. [hereinafter called 'the said
agreed to exempt [hereinafter called 'the said Contractor(s)'] from the demand, under the terms and conditions of an Agreement dated between
and for (hereinafter called
'the said Agreement'), of security deposit 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)
(hereinafter referred (indicate the name of the bank) 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 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 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 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)/supplier(s) shall have no claim against us for making such payment.
4. We,
(indicate the name of 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
Office/Department/Ministry of 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, (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 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)/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.
Concern of the Covernment in thining.
8. Dated the day of for
(indicate the name of the Bank).
,