

### Annexure

#### Form of Performance guarantee / Bank guarantee bond

[Reference para 21.1.(1)(V)]

In consideration of the President of India (hereinafter called "The Government") having offered to accept the terms and conditions of the proposed agreement between .....and ..... (hereinafter called "the said contractor(s)" for the work ..... (hereinafter called "the said agreement") having agreed to production of an irrevocable Bank Guarantee for Rs.....(Rupees.....only) as a security/guarantee from the contractor(s) for compliance of his obligations in accordance with the terms and conditions in the said agreement.

1. We .....(hereinafter referred to as the "Bank") hereby undertake to (indicate the name of the Bank) pay to the Government an amount not exceeding Rs ..... (Rupees.....only) on demand by the Government.
2. We ..... do hereby undertake to pay the amounts due and payable (indicate the name of the Bank) under this Guarantee without any demur, merely on a demand from the Government stating that the amount claimed is required to meet the recoveries due or likely to be due from the said contractor(s). 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..... (Rupees.....only).
3. We, the said Bank, further undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the contractor(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) shall have no claim against us for making such payment.
4. We ..... further agree that the Guarantee herein contained shall (indicate the name of the Bank) remain in full force and effect during the period that would be taken for the performance of the said agreement, and 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 the Engineer-in-charge, on behalf of the Government, 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.
5. We ..... further agree with the Government that the Government (indicate the name of the Bank) shall have the fullest liberty without our consent, and without effecting 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 of 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).

7. We .....lastly undertake not to revoke this Guarantee except with  
(indicate the name of the Bank) the previous consent of the Government in writing.
  
8. This Guarantee shall be valid up to .....unless extended on demand by the Government.  
Notwithstanding anything mentioned above, our liability against this Guarantee is restricted to Rs  
..... (Rupees .....only), and unless a claim in writing is lodged with  
us within six months of the date of expiry or extended date of expiry of this Guarantee all our  
liabilities under this Guarantee shall stand discharged.  
Dated the .....day of..... For .....

(indicate the name of the Bank)