

APPENDIX X

(SEE Para 1815)

GURANTEE BOND

(To be used by approved Schedule Banks

In consideration of the President of India (hereinafter called "the Government") have agreed to exempt..... (hereinafter called the said Contractor(s)" from the demand, under the terms and conditions of an Agreement dated.....made between.....and.....for(hereinafter called "the said Agreement"), of security deposit for the due fulfilment by the said Contractors) of the terms and conditions contained in the said Agreement, on production of a Bank Guarantee for Rs.....(rupees.....only), we.....Bank Ltd. (hereinafter referred lo as ""the Bank Ltd;") 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,Bank Lid. do hereby undertake to pay the amounts due and payable under this a 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 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,Bank Ltd. 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 Contractors) and accordingly discharge the 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.

4. We,Bank Ltd. 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 Contractors) 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 Contractors) 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 Contractors) 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.

5. We,Bank Ltd. lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing,

Dated the.....day of.....:.....20
for.....Bank Ltd.

GUARANTEE BOND
(To be used by unapproved Schedule Banks)

In consideration of the President of India having at our request agreed to accept this,Bank Ltd..Guarantee in lieu of cash deposit required from Messrsfor the due fulfilment by them of the terms and conditions of the Agreement dated.....made between.....and.....for.....(hereinafter called "the said Agreement"),.....during the period commencing from.....and ending on.....or the extended period if any, we,Bank -Ltd., do hereby undertake to pay to the President of India (hereafter called "the Government") an amount not exceeding Rs.(Rupees.....) 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.....of any term or condition of the said Agreement.

2. We,Bank Ltd., 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 suffered or would be caused to or suffered by the Government by reason of any breach by the said.....of any of the terms and conditions contained in the said Agreement or by reason of the said.....failure to perform the said Agreement. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by us under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs

.....(Rupees.....). We,
..... Bank Ltd., authorise I he Government to recover the same directly from the Reserve Bank of India from our deposits of cash and/or securities with the said Bank. The said Reserve Bank of India have at the request of the.....Bank Ltd., agreed to pay to the Government on demand and from out of the said deposits any sum which may be become payable to the Government under this guarantee for payment.

3. We,Bank Ltd. further agree that the guarantee herein contained shall remain in full force and effect upto and inclusive of the the date referred to above or the expiry of the extended period if any 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 saidand accordingly discharges the 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.

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for.....Bank Ltd.
