

Annexure B

**PROFORMA OF BANK GUARANTEE FOR CONTRACT PERFORMANCE
GUARANTEE BOND**

Ref: _____

Date _____

No. _____

Bank Guarantee

To

1. Against the contract, following the acceptance of Tender No. _____ dated _____ covering AMC of _____ (hereinafter called the said 'contract') entered into between the President of India acting through the Commissioner of Customs hereinafter called the Principal and _____ (hereinafter called the Vendor) this is to certify that at the request of the Vendor we _____ Bank Ltd. are holding in trust in favour of the Principal, the amount of _____ (write the sum here in words) to indemnify and keep indemnified the Principal against any loss or damage that may be caused to or suffered by the Principal by reason of any breach by the Vendor of any of the terms and conditions of the said contract and/or in the performance thereof. We agree that the decision of the Principal, in respect of whether any breach of any of the terms and conditions of the said contract and/or in the performance thereof that has been committed by the Vendor and the amount of loss or damage that has been caused or suffered by the Purchaser shall be final and binding on us and the amount of the said loss or damage shall be paid by us forthwith on demand and without demur to the Purchaser.

2. 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 satisfactory performance and fulfillment in all respects of the said contract by the Vendor i.e. till _____ (viz the date upto contract period hereinafter called the said date and that if any claim accrues or arises against us _____ Bank Ltd., by virtue of this guarantee before the said date, the same shall be enforceable against us _____ Bank Ltd., notwithstanding the fact that the same is enforced within six months after the said date, provided that notice of any such claim has been given to us _____ Bank Ltd., by the Principal before the said date. Payment under this letter of guarantee shall be made promptly upon our receipt of notice to that effect from the Principal.

3. It is fully understood that this guarantee is effective from the date of the said contract and that we _____ Bank Ltd., undertake not to revoke this guarantee during its currency without the consent in writing of the Purchaser.

4. We undertake to pay to the Principal any money so demanded notwithstanding any dispute or disputes raised by the Vendor in any suit or proceeding pending before any court or Tribunal relating thereto our liability under this present bond being absolute and unequivocal.

5. The payment so made by us under this bond shall be valid discharge of our liability for payment there under and the Vendor shall have no claim against us for making such payment.

6. We _____ Bank Ltd. further agree that the Principal shall have the fullest liberty, without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said contract or to extend time of performance by the Vendor from time to time or to postpone for any time of from time to time any of the powers exercisable by the Principal against the said Vendor and to forbear or enforce any of the terms and conditions relating to the said contract and we, _____ Bank Ltd., shall not be released from our liability under this guarantee by reason of any such variation or extension being granted to the said Vendor or for any forbearance by the Principal to the said Vendor or for any forbearance and or omission on the part of the Principal or any other matter or thing what-so-ever, which under the law relating to sureties, would, but for this provision have the effect of so releasing us from our liability under this guarantee.

7. This guarantee will not be discharged due to the change in the constitution of the Bank or the Vendor.

Date _____
Place _____

Signature

Witness _____

Printed

Name

(Bank's common seal)