

**B. MODEL BANK GUARANTEE FORMAT FOR FURNISHING
PERFORMANCE SECURITY DEPOSIT**

GUARANTEE BOND PRESCRIBED BY THE GOVERNMENT OF KERALA

(To be used by Nationalised and Scheduled Commercial Banks)

In consideration of the Governor of Kerala (hereinafter called the "Government") having agree to exempt (H.E. name and address) [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 fulfillment by the said contractor(s) of the terms and conditions contained in the said Agreement, on production of a bank guarantee for ₹..... [Rupees.....(in words)only]. We Bank Limited (hereinafter referred to as "the Bank" do hereby undertake to pay to the Government an amount not exceeding ₹..... (Rupees in words) 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 Limited 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 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 ₹(Rupees in words).....

3. We Bank Limited 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 of till(Office/Department) certified that the terms and conditions of the said Agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges the guarantee. Unless a demand or claim under this guarantee is made on us within one year from the period fixed or extended (if the agreement/supply order specifically provide for such extension of time) for the due performance of the contract by the contractor we shall be discharged from all liability under this guarantee thereafter.

4. We..... Bank Limited 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.

5. To give effect to this guarantee it shall be competent for the Government to act as though the Bank, were the principal debtor.

6. It is hereby expressly agreed and declared that this guarantee and the powers and provisions herein contained are in addition to and not by way of limitation of or substitution for any former or other guarantees or guarantee heretofore given by the Bank to the Government and now existing uncanceled and that this guarantee is not intended to and shall not revoke or limit such other guarantee or guarantees.

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

Dated..... day of one thousand.....for Bank Limited