

**FORM 15: PERFORMANCE BANK GUARANTEE FORMAT**

(ON A NON-JUDICIAL STAMP PAPER OF RS. 100.00)

Bank Guarantee No.  
Bank Guarantee Amount  
Expiry Date  
Claim Period  
Account

**GUARANTEE FOR PERFORMANCE OF CONTRACT/AGREEMENT**

THIS GUARANTEE AGREEMENT executed at \_\_\_\_\_ day of \_\_\_\_\_ Two  
Thousand Sixteen

BY :

\_\_\_\_\_, Bank, a body corporate constituted under  
\_\_\_\_\_, having its Registered Office/ Head Office at \_\_\_\_\_, and  
a Branch Office at \_\_\_\_\_

(hereinafter referred to as "the Guarantor", which expression shall, unless it be  
repugnant to the subject, meaning or context thereof, be deemed to mean and include  
its successors and assigns)

**IN FAVOUR OF:**

Punjab & Sind Bank, a body corporate, established under the Banking Companies  
(Acquisition and Transfer of Undertakings) Act 1970 and having its Registered Office at  
21, Rajendra Place, New Delhi 110125 (hereinafter referred to as "Bank" which  
expression shall unless it be repugnant to the subject, meaning or context thereof, be  
deemed to mean and include its successors and assigns),

WHEREAS Bank had called for the bids for engagement of Vendor who can Supply and  
Implement Enterprise wide Integrated Risk Management Systems (EWIRMS) for  
Advanced Approaches under RBI/Basel II Guidelines and for the purposes  
M/s..... have been appointed as the Vendor (hereinafter referred to as "  
Vendor") and accordingly has entered into Contract / Agreement on .....  
(Agreement) with Bank subject to the terms and conditions contained in the said  
documents and the Vendor has duly confirmed the same.

AND WHEREAS pursuant to the Bid Documents, the Agreement, and the other related  
documents (hereinafter collectively referred to as "the said documents", the Bank has  
agreed to avail from M/s..... and M/s..... has  
agreed to provide to the Bank, the Services / Systems / EWIRMS, more particularly  
described in the Schedule/Annexure to the said documents (hereinafter collectively  
referred to as "the Services"), subject to payment of the contract price as stated in the

said documents and also subject to the terms, conditions, covenants, provisions and stipulations contained the said documents.

AND WHEREAS the Vendor has duly signed the said documents.

AND WHEREAS in terms of the said documents, inter alia, the Vendor is required to procure an unconditional and irrevocable performance Bank guarantee, in favour of the Bank, from a Bank acceptable to the Bank for a sum of Rs.....  
(Rupees..... Only) being 10% of the total contract value for the faithful observance and performance by the Vendor of the terms, conditions, covenants, stipulations, provisions of the Agreement /the said documents.

AND WHEREAS at the request of the Vendor, the Guarantor has agreed to issue the guarantee in favour of the Bank for a sum of Rs. ....  
(Rupees.....Only) being the 10% of the total Contract value

AND WHEREAS at the request of the Vendor, the Guarantor has agreed to guarantee the Bank that the Vendor shall faithfully observed and performed of the terms of the said documents

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

In consideration of the above premises, the Guarantor hereby unconditionally, absolutely and irrevocably guarantees to the Bank as follows:

(1) The guarantor hereby agree and guarantee that the Vendor shall faithfully observed and performed all the terms and conditions stipulated in the Contract/Agreement and the said documents.

(2) The Guarantor hereby guarantees and undertakes to pay, on demand and without demur, reservation, contest, recourse or protest or without any reference to the Vendor, to the Bank at its office at Bangalore forthwith, and all monies payable by the Vendor to the extent of Rs..... against any loss, costs, damages, etc. suffered by the Bank on account of default of the Vendor in the faithful observance and performance of the terms, conditions, covenants, stipulations, provisions of the Agreement / said documents, without any demur, reservation, contest, recourse or protest or without any reference to the Vendor. Any such demand or claim made by the Bank, on the Guarantor shall be final, conclusive and binding notwithstanding any difference or any dispute between the Bank and the Vendor or any dispute between the Bank and the Vendor pending before any Court, Tribunal, Arbitrator, or any other authority.

(3) The Guarantor agrees and undertakes not to revoke this Guarantee during the currency of these presents, without the previous written consent of the Bank and further

agrees that the Guarantee herein contained shall continue to be enforceable until and unless it is discharged earlier by the Bank, in writing.

(4) The Bank shall be the sole judge to decide whether the Vendor has failed to perform the terms of the Agreement / said documents for providing the Services by the Vendor to the Bank, and on account of the said failure what amount has become payable by the Vendor to the Bank under this Guarantee. The decision of the Bank in this behalf shall be final, conclusive and binding on the Guarantor and the Guarantor shall not be entitled to demand the Bank to establish its claim under this Guarantee but shall pay the sums demanded without any objection, whatsoever.

(5) To give effect to this guarantee, the Guarantor will be deemed to be the Principal Debtor to the Bank.

(6) The liability of the Guarantor, under this Guarantee shall not be affected by

(a) any change in the constitution or winding up of the Vendor or any absorption, merger or

(b) amalgamation of the Vendor with any other company, corporation or concern; or

(c) any change in the management of the Vendor or takeover of the management of the Vendor by the Government or by any other authority; or

(d) acquisition or rationalization of the Vendor and/or of any of its undertaking(s) pursuant to any law; or

(e) any change in the constitution of Bank / Vendor; or

(f) any change in the set up of the Guarantor which may be by way of change in the constitution,

(g) winding up, voluntary or otherwise, absorption, merger or amalgamation or otherwise; or the absence or deficiency of powers on the part of the Guarantor to give Guarantees and/or Indemnities or any irregularity in the exercise of such powers.

(7) This guarantee will remain in force up to 66 months from the date of signing the contract.

Commented [RA1]: 66 month

(8) Notwithstanding anything contained in this Guarantee, the Guarantor hereby agrees and undertakes to extend the validity period of this guarantee for a further period as may be requested by the Bank, from time to time.

(9) This guarantee shall be binding upon us and successors -in -interest and shall be irrevocable.

(10) For all purposes connected with this Guarantee and in respect of all disputes and differences under or in respect of these presents or arising there from the courts of New Delhi where the Bank has its Head Office shall alone have jurisdiction to the exclusion of all other courts.

(11) Notwithstanding anything contained herein above

I. Our liability under this Bank Guarantee shall not exceed Rs ..... (Rupees ..... only)

II. This Bank Guarantee shall be valid up to.....

III. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve on us a written claim or demand on or before ..... (mention validity period + claim period)

IN WITNESS WHEREOF the Guarantor has caused these presents to be executed on the day, month and year first herein above written as hereinafter appearing.

SIGNED AND DELIVERED BY  
the within named Guarantor,

\_\_\_\_\_,  
by the hand of Shri.\_\_\_\_\_, its authorised official.