**FORM OF BANK GUARANTEE FOR SECURITY DEPOSIT**

(For use by nationalised and scheduled commercial banks. To be executed on stamp paper of minimum face value Rs. 100/-)

In consideration of …………………………………. (here enter the name and address of the purchasing officer), for and on behalf of the Principal of the Union Christian College (hereinafter called the ‘College’) having agreed to exempt M/s. \_ \_ \_ \_ \_ \_ (here enter the name and address of supplier) (hereinafter called ‘the said Contractor(s)’) from the demand, under the terms and conditions of an agreement dated ................. made between the College and the said Contractor for the supply of ......................................... (hereinafter called ‘the said Agreement’) of security deposit for the due fulfilment by the said Contractor(s) of the terms and conditions contained in the said Agreement, on production of a bank guarantee for Rs........................... (Rupees................ only), We ..................................... Bank Limited (hereinafter referred to as ‘the Bank’) do hereby undertake to pay to the College an amount not exceeding Rs. ............ (Rupees ............................................... only) against any loss or damage caused to or suffered or would be caused to or suffered by the College 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 College stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the University 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............... (Rupees ................................................................... only).

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 College under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till the College 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 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 provides 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 College that the College 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 College 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 College or any indulgence by the College to the said Contractor(s) or by any such matter or thing what so ever 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 College 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 giving by the Bank to the College and now existing uncancelled 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 the College in writing.

Dated the .............................................. day of ........... in the year two thousand and ..........

For .................................................... Bank Limited