

**FORMAT OF BANK GUARANTEE FOR  
RELEASE OF RETENTION MONEY**

Note : This guarantee should be executed on  
non judicial paper of appropriate value.

Ref. No.....

WHEREAS Krishak Bharati Cooperative Limited (hereinafter referred to as the KRIBHCO which expression shall unless repugnant to the context include its legal representatives, successors and assigns) have placed a contract (hereinafter referred to as the contract) with M/s.\_\_\_\_\_ and have its principal office at \_\_\_\_\_ (hereinafter referred to as the contractor) which expression shall unless repugnant to the context, include its legal representatives, successors and assigns for (Description of work)

AND WHEREAS the contract, inter alia, provides for the payment of RA. Bills and escalation bills after retaining \_\_\_\_\_% from the bills of the contractor towards Retention Money (hereinafter referred to as the Retention Money) and which is to be released to the contractor after handing over of the completed work by the contractor to the entire satisfaction of KRIBHCO/Consultant of KRIBHCO referred to in the contract subject to submission of Bank Guarantee of an equivalent amount.

AND WHEREAS at the request of the contractor, the owner has agreed to release the \_\_\_\_\_% of the Retention Money i.e. Rs. \_\_\_\_\_ of the amount recovered from the contractor's bills upto \_\_\_\_\_, on submission of Bank Guarantee of an equivalent amount valid upto \_\_\_\_\_ and with the provision that the validity of Bank Guarantee be extended in case further time extension is Granted to contractor by KRIBHCO for completion of the work and till the re-evaluation is finalised.

Now, therefore, in consideration of KRIBHCO agreeing to the release of \_\_\_\_\_% of the Retention Money to the contractor prior to due date, as aforesaid the Bank hereby agree and undertake unconditionally to pay to KRIBHCO on your just demand without protest or demur and without recourse to the contractor upto the amount and not exceeding a sum of Rs. \_\_\_\_\_ being the amount of Retention Money released to the contractors by KRIBHCO. The decision of owner as to whether the terms and conditions of the contract have been observed and whether the sum demanded pursuant hereto is due and payable shall be final and binding on the contractor and the Bank.

2. The owner may, without affecting Bank's liabilities and obligations hereunder, grant time or ther indulgence to or compound with the contractor or enter into any agreement to forbear to enforce any of the terms and conditons of the contract against the contractor or agree to vary any of the terms and conditions of the said contract.

3. This guarantee shall not be affected by any change in the constitution of the owner by absorption with any other body or corporation or otherwise and this guarantee will be

available to or enforceable by such body or corporation.

4. In order to give effect to this guarantee the Owner will be entitled to act as if the Bank were the Principal debtor and the Bank hereby waives all and any of its rights or suretyship.

5. This Guarantee shall continue to be in force notwithstanding the discharge of the contractor by operation of law and shall cease only on payment of the full amount by the Bank to the Owner of the amount hereby secured and on the claim of the Owner against the Contractor in respect of the said Contract being satisfied.

6. This Guarantee shall be in addition to and not in substitution for any other Guarantee or Security for the contractor given or to be given to the Owner in respect of the said Contract by the Bank (whether alone or jointly with others).

7. Any notice by way of request, demand or otherwise hereunder may be sent by post to the Bank addressed as aforesaid and, if sent by post, it shall be deemed to have been given at the time when it would be delivered in due course of post and in proving such notice, when given by post, it shall be sufficient to prove that the envelope containing the notice was posted shall be conclusive.

8. These presents shall be governed by and construed in accordance with Indian Law.

9. THE GUARANTEE HEREIN CONTAINED is irrevocable during its currency and will remain in full force.

10. UNLESS PREVIOUSLY CANCELLED BY THE OWNER, this indemnity will remain in force upto \_\_\_\_\_ months from date of issue of the Guarantee i.e. upto \_\_\_\_\_ and will stand automatically cancelled on the expiry of the said period then contemplated hereunder. Unless demand or claim under this Guarantee is made on Bank in writing six months from the date of expiry of this Guarantee, all the rights of the Owner against as hereunder shall be forfeited and Bank shall be relieved and discharged from all liabilities hereunder.

11. The Bank declares that it has the power to issue the guarantee under Regulations 1959 and the undersigned has full powers to do so on behalf of the Bank.

Date \_\_\_\_\_ This \_\_\_\_\_ Day of \_\_\_\_\_

Signature of issuing authority with seal.

CORPORATE SEAL

FOR \_\_\_\_\_ BANK

**R. B. NANDODE**  
JT. GENERAL MANAGER (MECH.)  
KRISHAK BHARATI COOPERATIVE LTD.  
P.O.: KRIBHCONAGAR  
SURAT - 394 515