



# भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(पोत परिवहन, सड़क परिवहन और राजमार्ग मंत्रालय)

## National Highways Authority of India

(Ministry of Shipping, Road Transport & Highways)

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No.11041/21/2002 – Admn.

November 18, 2004

### POLICY MATTERS-ADMINISTRATION/Finance. (91/2004)

[Decision taken on Finance Division File No. NHA/F&A/Policy Matters/2004/210]

#### Sub: - Acceptance of Bank Guarantee(s)

It has been observed that the Divisions have been forwarding the Bank Guarantee(s) submitted by the contractors and the consultants against performance security/for advance payments and for various other purposes, etc., to the Finance Division which are not strictly as per the formats prescribed in the contracts. All the Divisions are once again requested to ensure that the Contractors and the Consultants submit the Bank Guarantee(s) strictly as per the formats prescribed in the contracts.

2. In this regard, the following should be noted for strict compliance: -

- (i) In some of the Bank Guarantee(s) for mobilization/equipment advance, it is prescribed that *“No drawing may be made by you under this guarantee until we have received notice in writing from you that an advance payment of the amount listed above has been paid to the contractor pursuant to the contract”*.

Divisions may ensure that either such a condition is not included in the Bank Guarantee(s) or in case such a condition is allowed to be included in the Bank Guarantee (s), the Divisions may ensure that before release of payment notice in writing is confirmed to have been received by the Bank as stipulated in such Bank Guarantee(s).

- (ii) In some of the Bank Guarantees, it is prescribed that *“We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee (s) only and only if we receive a written claim or demand on or before \_\_\_\_\_.”*

Such a condition should not be accepted. Instead, the Bank Guarantee(s) should include only the following condition: -

Contd....2/-

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*"We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if a written claim or demand is served on us on or before \_\_\_\_\_".*

3. Before acceptance of the Bank Guarantee(s), it should be ensured that:
- (i) The bank guarantee(s) contains the name, designation and code number of the officer(s) signing the guarantee(s).
  - (i) The address and other details (including telephone no.) of the Controlling Office of the Bank are obtained from the Branch of the Bank issuing the BG (in future, this should be included in all the Bank Guarantees to be received by NHAI).
  - (iii) Before opening of the financial proposals (in the case of bid security), signing of the contract (in the case of performance security), release of payments (in case of BGs for mobilization advances/against retention money), etc., as the case may be: -
    - (a) the confirmation from the Issuing Branch of the Bank is obtained in writing through Registered Post/Speed Post/Courier. The Bank should be advised to confirm the issuance of the Bank Guarantee(s) specifically quoting the letter of NHAI on the printed officials letterhead of the Bank indicating address and other details (including telephone nos.) etc., of the Bank and the name, designation and code number of the officer(s) confirming the issuance of the Bank Guarantee.
    - (b) confirmation is also obtained with the help of a responsible officer (not below the rank of a Manager) at PIU /HO, which is close to the Issuing Branch of the Bank, who should personally obtain the confirmation from Issuing Branch of the Bank and forward the confirmation report to the concerned Technical Division at HO.

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4. As a matter of abundant pre-caution, the confirmation from the Controlling Office of the Bank may also be separately obtained by the concerned Technical Divisions in the manner prescribed in para (iii) (a) above.

This issues with the approval of the Chairman.



**[V. K. Sharma]**  
**General Manager [Admn.]**

To,

All Members  
All CGMs/GMs  
All DGMs/Managers  
All PIUs/CMUs/SPVs

Copy for information to-

PS to Chairman  
Director (Audit), RAP, NHA  
Library/Hindi officer