



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय)

National Highways Authority of India

(Ministry of Road Transport & Highways)

G-5 & 6, SECTOR-10, DWARKA, NEW DELHI-110045

PHONE : 91-11-5074100/5074200

Fax : 91-11-5080360/5080460

Extn. : 2223/2318/2468/2553

No.11041/21/2002/Admn.-III

October 21, 2003

POLICY MATTERS – ADMINISTRATION/FINANCE (61/2003)

(Decision taken on Technical Division File No.NHAI/12013/12/2003/Tech/CK)

Sub: Format of the Bank Guarantee for release of Retention Money

The format of the Bank Guarantee for release of retention money in accordance with the contract / policy circulars (29/2002) and (52/2003) is enclosed. It may be ensured that the Bank Guarantees furnished by the contractors are strictly in accordance with the prescribed format. Further, the acceptability of such Bank Guarantees (such as the Bank, validity period, etc.) may also be examined keeping in view the conditions of the contract and the guidelines issued by NHAI in this regard from time to time.

S. Loganathan

[S. Loganathan]

General Manager [Admn.]

Encl: As above

All Members

All CGMs/CVO/CPD/GMs

All DGMs/Managers

All PIUs/CMUs/SPVs

Copy for information to-

PS to Chairman

Resident Audit Party

Librarian/Hindi Officer

Encl: As above.

FORMAT -BANK GUARANTEE FOR RETENTION MONEY

To,

National Highways Authority of India
G-5 & 6, Sector 10,
Dwarka,
New Delhi – 110 045.

WHEREAS M/s. _____ (hereinafter called “the Contractor”) has executed Contract No. _____ dated _____ for the _____ from km.....to km.....of section of NH _____ in the State of _____ Contract Package No. _____ (hereinafter called “the Contract”) pursuant to it’s award by National Highways Authority of India (hereinafter called “the Authority”).

AND WHEREAS the contract provides for deduction of retention moneys from the amounts payable to the contractor in the manner and style specified therein which is to be refunded on completion of discharge of obligations under the contract.

AND WHEREAS the Contractor has the option of substituting the retention money in manners specified in the contract with unconditional Bank Guarantee(s).

AND WHEREAS the contractor has opted to replace retention money with an unconditional guarantee and we _____ (Bank) have agreed to give the Contractor such a Bank Guarantee.

NOW THEREFORE, we _____ (Bank) hereby affirm that we are the Guarantor and responsible to you, on behalf of the contractor upto a total of Rs. _____ (Rupees), such sum being payable in the types and proportions of currencies in which the Contract Price is payable and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of Rs. _____ (Rupees) as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We _____ (Bank) hereby waive the necessity of your demanding the sums from the Contractor before presenting us with the demand.

We _____ (Bank) agree that the Authority shall have the fullest liberty without affecting in any manner the Bank’s obligations under this Guarantee to extend the time of performance by the Contractor from time to time or to postpone for any time or from time to time any of the rights or powers exercisable by the Authority against the Contractor and either to enforce or forbear to enforce any of the terms and conditions of the said Contract, and the Bank shall not be released from its liability for the reasons of any such extensions being granted to the Contractor or for any forbearance, act or omission on the part of the Authority or any other indulgence shown by the Authority or by any other matter or thing whatsoever which under the law relating to sureties would, but for this provision have the effect of so relieving the Bank.

This guarantee shall be valid till all obligations of the Contractor under the said contract relevant for release of Retention money has been discharged by the Contractor.

Notwithstanding anything contained herein:

1. Our liability under this Bank Guarantee shall not exceed Rs. _____ (Rupees) and interest thereon at the rate of 18% for the period of delay in payment.
2. This Bank Guarantee shall be valid upto _____.
3. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before _____.

DATE

SIGNATURE OF THE BANK

WITNESS

1.

2.