



# 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

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11014/21/2002/Admn.-II

03<sup>rd</sup> March, 2004

### **POLICY MATTERS-ADMINISTRATION/FINANCE (78/2004)**

(Decision taken on Finance Division File No. NHAI/F&A/IA/135-Policy Matters)

#### **Sub. : BG format for payment of discretionary/additional mobilization advance**

Format of Bank Guarantee for release of discretionary/additional mobilization advance (including for advance payment against Price Escalation as per policy circular no. 49/2003 dt. 26.06.2003 read with policy circular no. 57/2003 dt. 25.09.2003) is enclosed. It may be ensured that Bank Guarantees furnished by the contractors are strictly in accordance with the prescribed format and for the specified period. Acceptability of the BG may be examined keeping in view various guidelines already issued by HQ in this regard from time to time.

This issues with the approval of Member(Fin.).

(V. K. Sharma)  
General Manager(Admn.)

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

Copy for information to:  
PS to Chairman  
Librarian/Hindi officer  
Director (Audit), RAP, NHAI

Annexure-II

**BANK GUARANTEE FORMAT FOR PAYMENT OF DISCRETIONARY ADVANCE  
(STAMP PAPER OF THE VALUE OF RS.100)**

To

National Highways Authority of India  
G-5&G-6, Sector-10, Dwarka  
New Delhi-110045

In consideration of National Highways Authority of India (hereinafter called "Employer") having agreed to grant to M/s. \_\_\_\_\_ (hereinafter called the "Contractor") having its Registered Office situated at \_\_\_\_\_ an amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) vide its letter no. \_\_\_\_\_ dated \_\_\_\_\_ (Copy of which is enclosed) as a discretionary advance, with interest at the rate of \_\_\_\_\_ % compounded calendar quarterly, during the course of execution of the Contract No. \_\_\_\_\_ dated \_\_\_\_\_, executed between the "Employer" and the "Contractor", on production of the bank guarantee for Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).

We \_\_\_\_\_ (Name of Bank) constituted under the Banking Companies (Acquisition and Transfer of undertakings) Act, 1980 'or' "Companies Act, 1956" as applicable, having its Head Office at \_\_\_\_\_ (hereinafter referred to as the Bank) do hereby guarantee and undertake unconditionally to pay the Employer immediately on demand an amount not exceeding Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) and interest thereon @ \_\_\_\_\_ without any demur, reservation, contest, recourse or protest merely on a demand from the Employer stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by reason or any breach of the said terms and conditions related to the said discretionary advance. Any such demand made by the Employer on the bank shall be conclusive and binding notwithstanding any difference between the Employer and the Contractor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. We agree that the guarantee herein contained shall be unconditional and irrevocable and shall continue to be enforceable till the employer discharges this guarantee.

We, the Bank further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the relevant performance and that it shall continue to be enforceable till all the dues of the Employer under or by virtue of the said discretionary advance have been fully complied with and its claims satisfied or discharged or till the Employer certifies that the said terms and conditions stands fully discharged. Unless a demand for claim under this guarantee is made on us in writing on or before \_\_\_\_\_, we shall be discharged from all liabilities under this guarantee thereafter.

We, the bank further agree that the employer shall have the fullest liberty, without consent and without effecting in any manner the Bank's obligations under this Guarantee to extend time of performance by the said 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 Employer against the said contractor and either to enforce or to forbear to enforce any of the terms and conditions related to the said discretionary advance and we shall not be relieved of our liability by reason of any extension being granted to the said contractor or for any forbearance, act or omission on the part of the employer or any indulgence by the employer to the said contractor or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision have effect of so relieving us.

We, the Bank lastly undertake not to revoke this guarantee during its currency except with the previous consent of the employer in writing.

Notwithstanding anything contained herein:-

(i) The Bank's liability under this guarantee shall not exceed Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) plus interest as aforesaid and interest @18% thereon for the period of delay in payment by the Bank.

(ii) The bank guarantee shall be valid upto \_\_\_\_\_.

(iii) The Bank would be liable to pay the guaranteed amount or any part thereof under this Bank Guarantee immediately if the Employer serves upon the Bank a written claim or demand on or before \_\_\_\_\_.

(iv) The bank hereby confirms that the signatory is empowered to issue this guarantee in your favour under the Power of Attorney given to him by the bank.

(v) For the purpose of enforcing legal right/remedies in respect of this guarantee, we agree with you that only courts at DELHI shall have the exclusive jurisdiction.

DATE

(SIGNATURE OF THE BANK)

WITNESS

1.

2.