

East Central Railway
Accounts Department

Office of the
PFA
ECR/HJP
Date: 19.06.2024

No. ECR/FIN/Misc/BG Format

FA&CAO/Con/MHX
FA&CAO/G, FA&CAOWST, FA&CAO/F&B/HJP
Dy.FA&CAO/G,S&W/HJP
Sr.DFM/DNR, DHN, DDU, SEE, SPJ
AFAWS/SPJ, AFA/CRW/HRT, AFA/PO/DDU
ECR

Sub: -Regarding varying formats of Bank Guarantees being submitted by agencies as Performance Guarantee.

Ref: - This office letter no. ECR/FIN/PFA/Misc/BG Format dated 03.04.2024.

A clarification has been sought by this office from Railway Board vide letter referred above regarding acceptance of BGs in a format which is different from the model format circulated by the Railway Board. But the clarification is yet to be received.

DGM/LAW/ECR has expressed his view that the additional points as indicated in the letter are inherent in the format issued by the Railway Board as well as the Reserve Bank of India. It is also apparent through correspondence with banks that they are unwilling to adhere to the Railway Board's format in toto. Since execution of contract is held up on this account, there seems to be no option but to accept the change in format as suggested by the Bank. It is our considered opinion that these four additional lines do not either materially or legally alter the commitment of the Bank to honour the guarantee being given by them.

In view of above, the BGs with the following additional points may be accepted till clarification is received from Railway Board:-

- I. Our liability under this guarantee shall not exceed Rs.....(Rupees.....).
- II. This guarantee shall be valid up to.....
- III. We are liable to pay the guarantee amount or any part thereof under this guarantee only and only if you serve upon us a written claim or demand on or before.....
- IV. Our liability under this Bank Guarantee shall not exceed the amount of this Guarantee/extended guarantee documents may not be returned to us by you.

4-11-24
(M.M.Hasan)
FA&CAO/F&B
ECR/HJP