

BG No. \_\_\_\_\_  
Amount Rs. \_\_\_\_\_  
Issue Date \_\_\_\_\_  
Valid upto \_\_\_\_\_  
Claim upto \_\_\_\_\_

### **BANK GUARANTEE BOND**

To,  
The President of India,  
Acting Through Senior Divisional Financial Manager (Sr. DFM),  
Bhavnagar Division, Western Railway, Bhavnagar (Gujarat).

1. In consideration of the President of India (hereinafter called the 'Government') having agreed to exempt M/s \_\_\_\_\_ (hereinafter called the said Contractor(s)), from the demand under the terms and conditions of an Agreement dtd \_\_\_\_\_ made between the \_\_\_\_\_ and \_\_\_\_\_ for the work of \_\_\_\_\_ (hereinafter called the said Agreement), of Security Deposit for the due fulfilment by the said Contractor(s) of the terms and conditions contained in the said Agreement, on production of a Bank Guarantee for Rs. \_\_\_\_\_ (Rupees in words).
2. We, \_\_\_\_\_ (hereinafter referred to as "the Bank") at the request of the (Contractor(s)) do hereby undertake to pay to the Government an amount not exceeding Rs. \_\_\_\_\_ against any loss or damage caused to or suffered or would be caused to or suffered by the Government by reason of any breach by the said Contractor (s) of any of the terms or conditions contained in the said agreement.
3. We \_\_\_\_\_ (Indicate the name of the Bank) do hereby undertake to pay the amount due and payable under this Guarantee without any demur merely on a demand from the Government stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Government by reason of breach by the said Contractor (s) of any of the terms or conditions contained in the said Agreement or by reason of the Contractor(s) failure to perform the said Agreement. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the bank under this Guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. \_\_\_\_\_ (Rupees in word).
4. We \_\_\_\_\_ (Indicate the name of the Bank) undertake to pay the Government any money so demanded notwithstanding any dispute or disputes raised by the Contractor (s) / Supplier (s) in any suite or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge of our liability for payment there under and the Contractor (s) / supplier (s) shall have no claim against us for making such payment.
5. We \_\_\_\_\_ (Indicate the name of 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 performance of the said agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till the \_\_\_\_\_ Ministry of \_\_\_\_\_ certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the

said Contractor (s) and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the \_\_\_\_\_ (claim date), we shall be discharge from all liability under this guarantee thereafter.

6. We \_\_\_\_\_ (Indicate the name of the Bank) further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement or to extend time of performance by the said Contractor (s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Government against the said Contractor (s) and to forbear or enforce any of the terms conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor (s) or for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said Contractor (s) or any such matter of thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.
7. This guarantee will not be discharged due to the change in the constitution of the Bank or Contractor(s)/Supplier (s).
8. We \_\_\_\_\_ (Indicate the name of the Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Government in writing.

Notwithstanding anything contained here in above.

1. Our liability under this B.G. shall not exceed to Rs. \_\_\_\_\_ (Rupees in word).
2. This Bank guarantee would be valid up to \_\_\_\_\_ (Expiry Date).
3. We shall be discharged from all liabilities hereunder unless a written claim for payment under this Guarantee is lodge on us within 12 months from the date of expiry of the guarantee i.e., on or before \_\_\_\_\_ (Claim Date) irrespective of whether or not the original guarantee is returned to us.

## **NECESSARY GUIDELINES FOR BANK GUARANTEE**

**(Ref: Dy.CAO(G)-CCG's letter No. HQ/EXP/Bank Guarantee/2024-25 dated 19.07.2024)**

1. The BG should be unconditional and irrevocable. It should be irrevocable at any time during the validity period of BG, without any hurdle.
2. The BG should be on Non-Judicial Stamp paper of appropriate value as per Stamp Act prevailing in the State(s) where the BG is submitted or is to be acted upon on the rate prevailing in the State where the BG is executed, whichever is higher. The appropriate value of Stamp paper for BGs, in terms of the Stamp Act for various States in India, can be verified through the websites of the respective states / Law official of Railway.
3. The date, purpose of purchase of Stamp paper and the name of the purchaser should be indicated on the Stamp paper under the signature of Stamp vendor.
4. The date of sale of the non-judicial Stamp paper as indicated on the stamp paper should be a date not later than the date of the execution of the BG.
5. The name of the purchaser of Stamp paper may be the executing Bank for the party on whose behalf the BG is being issued.
6. In certain States, the Rules permit levy of Stamp duty by the process off ranking under signature of the empowered officer. Such BG may also be accepted as duly stamped.
7. The name and designation of Officer of the Bank executing the BG and his Authority/Signing Power No. should be in variably indicated in the BG.
8. Each page of the BG should be duly signed/ initialed by the executants and Stamp of the Bank affixed thereon. The last page of BG should be signed with full particulars including the name of authorized signatory and witnesses, full postal addresses, telephone number, fax number etc. under the seal of the Bank or as required as per the prescribed Proforma in the Bid Documents. It may also be ensured that over- writings or cuttings, if any, have been properly authenticated under the signature and seal of the executants.
9. The factual details such as Bid Specification No., Notification of Award / Contract Agreement Number, Name of Work, Contract Price, amount (both in words and figures), and validity of the BG etc. should be in line with the provisions of Bid /Contract Documents. Also, the purpose of BG should be specifically mentioned.