

STANDARD FORMAT OF BANK GUARANTEE
(For Contractor Registration in RD&PR Department, Government of
Tamil Nadu)

To be issued by a Scheduled Commercial Bank
(To be issued on Non-Judicial Stamp Paper of appropriate value as per
the applicable State Stamp Act)

BANK GUARANTEE

Bank Guarantee No: _____

Date: _____

To

The Project Director / Additional Collector (Development)

District Rural Development Agency (DRDA)

_____ District

Government of Tamil Nadu

1. WHEREAS

M/s _____, having its registered office at _____ (hereinafter referred to as "the Contractor", which expression shall unless repugnant to the context include its successors and permitted assigns) has applied for registration as contractor with the Rural Development and Panchayat Raj Department, Government of Tamil Nadu and the Bank Guarantee is furnished in favour of the Project Director / Additional Collector (Development), District Rural Development Agency (DRDA) (hereinafter referred to as "the Beneficiary", which expression shall unless repugnant to the context include its successors and permitted assigns).

AND WHEREAS as a condition of such registration, the Contractor is required to furnish a Bank Guarantee for a sum of Rs _____ (Rupees _____ only) in favour of the Project Director / Additional Collector (Development), District Rural Development Agency as security for:

- i. compliance with conditions of contractor registration
- ii. faithful execution of works entrusted under such registration
- iii. payment of Government dues, damages, penalties, recoveries, or other liabilities.

2. GUARANTEE

NOW THEREFORE we, _____ Bank, a Scheduled Commercial Bank incorporated under the Banking Regulation Act and having its registered office at _____ and branch office at _____ (hereinafter referred to as "the Bank"), at the request of the Contractor, do hereby irrevocably and unconditionally

guarantee and undertake to pay to the Project Director / Additional Collector (Development), District Rural Development Agency an amount not exceeding:

Rs _____ (Rupees _____ only) upon first written demand made by the Beneficiary without demur, protest, contest, reservation or reference to the Contractor.

3. ABSOLUTE LIABILITY

The Bank agrees that the liability of the Bank under this guarantee shall be absolute, unconditional and irrevocable, and payment shall be made by the Bank without any proof or investigation of breach or default by the Contractor. Any such demand made by the Beneficiary shall be conclusive and binding on the Bank as regards the amount due and payable.

4. PAYMENT OBLIGATION

The Bank shall pay the amount demanded within three (3) working days from receipt of the written demand from the Beneficiary.

The Bank shall not withhold payment on the grounds that:

- i. the Contractor disputes the claim
- ii. arbitration or litigation is pending
- iii. the Contractor has raised any defence.

5. INDEPENDENCE OF BANK GUARANTEE

The Bank acknowledges that this Bank Guarantee constitutes an independent and autonomous contract between the Bank and the Beneficiary. The obligations of the Bank under this Guarantee shall not be affected by any dispute, difference, arbitration, litigation or other proceedings pending between the Contractor and the Beneficiary relating to the contractor registration or any works entrusted under such registration. The Bank shall make payment under this Guarantee on first demand of the Beneficiary notwithstanding the existence of any such dispute or proceedings.

6. DEMAND CERTIFICATE

Any written demand made by the Beneficiary stating that the Contractor has failed to comply with the conditions of contractor registration or has otherwise rendered itself liable under the applicable Government rules or contracts shall be final, conclusive and binding on the Bank as to the fact of such default and the amount

payable under this Bank Guarantee. The Bank shall not require any further proof or justification of the demand made by the Beneficiary.

7. PURPOSE OF GUARANTEE

This Bank Guarantee shall cover all claims arising out of:

- i. violation of contractor registration conditions
- ii. failure to execute works entrusted
- iii. non-payment of Government dues
- iv. penalties or damages payable to Government
- v. recovery of advances or Government money
- vi. losses suffered by the Beneficiary or the Government due to acts or omissions of the Contractor.

8. VALIDITY

This Bank Guarantee shall remain valid up to _____ (date), which shall not be earlier than three (3) years from the date of issue or such other period as prescribed for contractor registration.

9. CLAIM PERIOD

Any claim under this Bank Guarantee must be received by the Bank on or before: _____ which shall be not less than ninety (90) days after the expiry of the validity period. After the expiry of the claim period, the Bank shall stand discharged from all liabilities under this guarantee.

10. CONTINUING GUARANTEE

This Bank Guarantee shall be a continuing guarantee and shall remain valid notwithstanding:

- i. Upgradation or demotion of contractor registration class
- ii. Suspension, removal or cancellation of contractor registration
- iii. Ban or blacklisting of the Contractor
- iv. Variation or modification of registration conditions
- v. Award, termination or cancellation of any works entrusted to the Contractor
- vi. Extension of time granted to the Contractor for execution of works
- vii. Any indulgence, waiver or concession granted by the Beneficiary.

11. VARIATION OF TERMS

The Beneficiary shall have the fullest liberty, without affecting the liability of the Bank under this guarantee, to vary any of the terms and conditions of contractor registration or to extend the time for performance by the Contractor, and the Bank shall not be relieved from its liability by reason of any such variation or extension.

12. WAIVER OF SURETY RIGHTS

The Bank hereby waives all rights available to it under Sections 133, 134, 135, 139 and 141 of the Indian Contract Act, 1872, or any other law relating to suretyship.

The Bank agrees that any extension, indulgence, variation or waiver granted by the Beneficiary to the Contractor shall not discharge the Bank from its obligations under this guarantee.

13. NON-REVOCATION

This Bank Guarantee shall not be revoked or cancelled by the Bank during its currency except with the prior written consent of the Beneficiary.

14. CHANGE IN CONSTITUTION

This guarantee shall remain valid notwithstanding any change in the constitution of:

- i. the Contractor
- ii. the Bank
- iii. the Beneficiary.

15. FRAUD EXCEPTION

The Bank shall honour the guarantee except in cases where the Bank has clear evidence of established fraud committed by the Beneficiary, of which the Bank has received prior written notice.

16. ELECTRONIC BANK GUARANTEE

The electronic bank guarantee shall be issued through SFMS-enabled system or any RBI-approved electronic platform.

The guarantee shall be:

- i. digitally signed by authorised bank officials
- ii. generated through secure banking system

- iii. verifiable online using the BG number.

17. INTIMATION BEFORE EXPIRY

The Bank shall endeavour to notify the Beneficiary not less than sixty (60) days prior to expiry of this Bank Guarantee.

18. LIMIT OF LIABILITY

Notwithstanding anything contained herein:

- i. The liability of the Bank under this Bank Guarantee shall not exceed Rs. _____ (Rupees _____ only).
- ii. This Bank Guarantee shall remain valid up to _____ (date).
- iii. Any claim under this Bank Guarantee must be received by the Bank on or before _____ (date), failing which all rights of the Beneficiary under this guarantee shall stand extinguished.

19. GOVERNING LAW

This Bank Guarantee shall be governed by and construed in accordance with the applicable laws of India.

The courts having jurisdiction over the district where the Beneficiary is located shall have jurisdiction in all matters arising under this guarantee.

SIGNATURE

For and on behalf of _____ Bank

Authorised Signatory

Signature: _____

Name: _____

Designation: _____

Employee ID / Authorisation Code: _____

Authorised Signatory

Signature: _____

Name: _____

Designation: _____

Employee ID / Authorisation Code: _____

Official Seal of the Bank

Place: _____

Date: _____