

BANK GURANTEE FOR PAYMENT OF RETENTION MONEY**To**

**BANGALORE METRO RAIL CORPORATION LIMITED (BMRCL)
3RD FLOOR BMTC COMPLEX,
K.H.ROAD, SHANTHINAGAR
BANGALORE- 560027.
KARNATAKA, INDIA.**

1. **WHEREAS** _____ (Name and Address of the Contractor hereinafter called the "Contractor") has undertaken for due performance of contract, in pursuance of contract No. _____ (description of the contract work of Bangalore Metro Rail Project to be specified) (hereinafter called "the Contract"). The said contract was awarded by Bangalore Metro Rail Corporation Limited/BMRCL which expression shall unless repugnant to the context or the meaning thereof, include its successors, administrators, executors and assignees, (Hereinafter called the Employer) to the Contractor.

2. **AND WHEREAS** as per the conditions of the contract, Retention Money equal to 10% of the amount due to the contractor in running bills will be retained by the Employer so as to maintain a reserve in the hands of the Employer equal to 5% of the Contract Price. The contract also provides that the contractor may alternatively submit a Bank Guarantee in an acceptable form to the Employer, equal to 5% of the contract price in lieu of the Retention Money.

3. **AND WHEREAS**, it has been stipulated in the contract awarded to the contractor that the contractor shall furnish to Employer/BMRCL with a Bank Guarantee in lieu of Retention Money from an Indian scheduled Bank (excluding Cooperative Bank) or from a schedule Foreign Bank as defined in Section 2(e) of RBI Act 1934 r/w second schedule, for the sum specified herein as security for payment of retention money.

AND WHEREAS, it has been further stipulated that the employer agrees to exchange the retention money held by the EMPLOYER/BMRCL on furnishing by the contractor, Bank Guarantee to be issued by Indian Scheduled Bank (excluding cooperative Bank) or by a schedule Foreign Bank as defined in section 2(e) of RBI Act 1934 r/w second schedule.

4. At the request of the contractor, we (Name of the Bank, address, Headquarters, Branch etc) (Hereinafter called the BANK) have agreed to give such guarantee.

5. **AND WHEREAS** we _____ (the name and full address of the Bank including Email address) having registered office at _____ (hereinafter referred to as the issuing Bank) which expression shall unless repugnant to the context or the meaning thereof, include its successors, administrators, executors and assignees, do hereby agree to give the EMPLOYER (BMRCL) on behalf of the contractor such a Bank Guarantee, drawn and payable at Bangalore _____ through our Bangalore _____ Branch.

6. This Bank Guarantee is encashable or extendable at our designated Branch in Bengaluru (Bangalore) Karnataka, India, as mentioned below:

Name of the Bank, Branch and contact details

Address

Telephone no: & Fax No:

E-mail Address

Branch manager name& mobile No:

Bank Zonal Office Address, Telephone No:, Fax Number,

E-mail Address

7. "This Bank Guarantee shall be encashed unless renewed by the contractor at the request of the Employer, before the due date".

8. **NOW therefore**, we hereby affirm that we are the guarantor and responsible to EMPLOYER (BMRCL) and their successors, on behalf of the contractor up to a total sum of _____ (amount of Guarantee to be specified in figure and words), in the respective currency i.e., INR or Foreign currency (indicate currency amount in figures and words) such sum being payable in the respective currencies in which the contract price is payable. Further, we hereby unconditionally, irrevocably and without demur undertake to immediately pay you, upon your first written demand and without cavil, or arguments any sum or sums within the limits of the sum specified in this Bank Guarantee as aforesaid without you needing to prove or to show grounds or reasons for your demand, by depositing/crediting to the Current A/c. of BMRCL, the sums specified therein.

9. The Bank will pay the money required by EMPLOYER (BMRCL) immediately on demand without delay without reference to the Contractor and without the necessity of a previous notice or of judicial or administrative procedures and without it being necessary to prove to the Bank the liability or damages resulting from any defects or shortcomings or debts of the Contractor.

10. BMRCL shall have full rights to encash this bank guarantee at any time during the guarantee and the contractor shall have no right or claim whatsoever in the matter of encashment of the Bank guarantee amount by the Employer (BMRCL). The Bank will be having full responsibility in terms of the guarantee and obligation, to make immediate payment to you (EMPLOYER/BMRCL), without the consent of the contractor and without referring the matter to the contractor.

11. Courts at Bangalore, Karnataka, India shall have exclusive jurisdiction for adjudicating the disputes arising out of encashment of the Guarantee, and we the said Bank undertakes not to revoke this Guarantee during its currency,

except with the previous consent of the Employer in writing and agree that any change in the constitution of the Bank shall not discharge our liability hereunder.

12. This Bank Guarantee will not be discharged due to the change in the constitution of the contractor or change in the constitution of the issuing bank.

13. This guarantee is executed and issued by Shri _____ who is/are authorized by the Bank for issuing the guarantee in its behalf and his ID No. and Email address being-----.

14. The Banks liability under this Guarantee shall not exceed the amount of INR/Foreign currency. _____ (to be specified in words and figures_____).

15. This guarantee shall be valid for (period to be specified) till _____ (Period to be mentioned).

16. The pendency of any dispute or arbitration or other proceedings shall not affect this guarantee in any manner.

17. It is hereby agreed that the liability of the Bank under this guarantee shall cease on whichever of the following events first occurs.

a) Payment by the Bank of the Guaranteed sum in full to the Employer/BMRCL

or

b) Receipt of written communication from the Employer/BMRCL, to the issuing Bank, along with the Original Bank Guarantees discharging the Bank of its liability covered by this Bank Guarantee.

Date

SIGNATURE AND SEAL OF THE GUARANTOR

NAME OF THE BANK _____

ADDRESS _____