

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
RAILWAY BOARD**

No. 2018/NFR/47

Dated: 01.10.2018

**General Managers
All Zonal Railways**

Metro Rail, Kolkata

(Commercial Circular No. 63 of 2018)

Sub: Clarification on para No. 3.2 of Comml. Cir. No. 50 of 2018 dated 12.09.2018.

The issue regarding modification in para no. 3.2 of CC No. 50 of 2018 has been under consideration in Board's office. Competent Authority have now decided to modify said para as under:

"Zonal Railways shall receive security deposit equivalent to six months (6) license fee calculated for the final year of the contract, in advance, in the form of an irrevocable bank guarantee from a Scheduled Commercial Bank".

This issues with the concurrence of Finance Dte of Ministry of Railways and approval of Board.

Kindly acknowledge receipt of this letter.

No. 2018/NFR/47

Copy to: PFA, All Indian Railways – for information and necessary action.

Dated: 31.10.2018


(P. C. Verma)
Joint Director (NFR)
Railway Board


(Pallavi Joshi)
For Financial Commissioner
Railway Board

Copy to: PCCMs, All Zonal Railways – for information and necessary action.

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
RAILWAY BOARD**

No. 2018/NFR/47

Dated: 01.11.2018

**General Managers
All Zonal Railways**

Metro Rail, Kolkata

Sub: Format of performance Bank Guarantee Bond for Non Fare Revenue earnings contracts.

In order to have uniformity amongst Zonal Railway's, a format of Performance Bank Guarantee Bond meant for GMU catering contracts is enclosed. The same shall be used by all the Railways in case of Non Fare Revenue earnings contracts.

Kindly acknowledge receipt of this letter.

DA: As above.



**(P. C. Verma)
Joint Director (NFR)
Railway Board**

Copy to: PCCMs, All Zonal Railways – for information and necessary action.

Performance Bank Guarantee Bond for Non Fare Revenue Contracts

The President of India,

Through the Divisional Railway Manager (Commercial)

_____ Division,

-----Railway.

1. In consideration of the President of India (hereinafter called "Railway") having agreed to accept from _____ (hereinafter called "the said Licensee/s), under the terms and conditions of an Agreement/Acceptance letter dated _____ made _____ between _____ and _____ (hereinafter called "the said License Agreement") the Performance Guarantee for the due fulfillment by the Licensee/s of the terms and conditions in the said Agreement on production of Bank Guarantee for Rs _____ (Rs. _____ only) we, _____ (indicate the name of the Bank hereinafter referred to as "the Bank") at the request of _____ Licensee/s do hereby undertake to pay the Railway an amount not exceeding Rs. _____ against any loss or damage caused to or suffered by or would be caused to or suffered by the Railway by reason of any breach by the said Licensee (s) of any of the terms or conditions contained in the said Agreement.
2. We _____ (indicate the name of the Bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on demand from the Railway stating that the amount claimed is by way of loss or damage caused to or suffered by the Railway by reason of breach by the said Licensee/s of any of the terms or conditions contained in the said agreement or any other agreement or by reason of the Licensee/s failure to perform this Agreement or any other Agreement with Railway, 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. _____.
3. We undertake to pay to the Railway any money so demanded notwithstanding any dispute or disputes raised by the Licensee(s)/supplier (s) in any suit 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 Licensee (s)/suppliers (s) shall have no claim against us for making such payment.
4. 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, including Maintenance/Warranty Period, and that it shall continue to be enforceable till the dues of the Railway under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged or till _____ (office/Department) Ministry of Railway certifies that the terms and conditions of the Agreement have been fully and properly carried out by the said Licensee (s) and accordingly discharged this guarantee, unless a demand or claim under this guarantee is made on us in writing on or before the

_____ (date of completion + 6 months) we shall be discharged from all liability under this guarantee thereafter.

5. We, _____ (indicate the name of the Bank) further agree with the Railway that the Railway 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 Licensee (s) from time to time or to postpone from any time or from time to time any of the powers exercisable by the Railway against the said contract and to forebear or enforce any of the terms and 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 Licensee/s or for any forbearance act or omission on the part of the Railway or indulgence by the Railway to the said Licensee(s) or such any matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.
6. This Guarantee will not be discharged due to the change in the constitution of the bank or the Licensee (s) Supplier (s).
7. We, _____ (indicate the name of Bank) undertake not to revoke this guarantee during its currency except with the previous consent of the Railway in writing.

Date this _____ day of _____ 20__.

For _____

(indicate the name of Bank)

Witnesses (With Signature, name & Address)

1.

2.

Witness 1.:

Signature.....

Name:

Age:

Address:

Witness 2.:

Signature.....

Name:

Age:

Address:

Seal of the Bank