

Advanced Contracts, Tendering and Public Procurement
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Bank Guarantee

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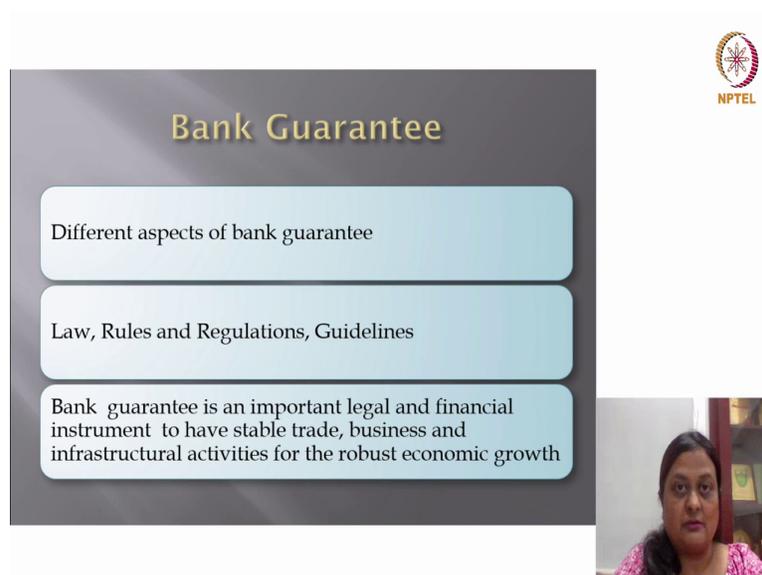


The slide features the NPTEL logo in the top right corner. The main title is centered in a pinkish-red box: "NPTEL", "Advanced Contracts, Tendering and Public Procurement", and "BANK GUARANTEE". Below this, the name "Gayathri Gireesh" is centered. A small video inset of the speaker is in the bottom right corner.

Hello, everyone. Welcome to the class on Advanced Contracts, Tendering and Public Procurement. Today's class is about Bank Guarantees.

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Bank Guarantee



The slide has a dark grey background with the title "Bank Guarantee" in gold. It contains three light blue rounded rectangular boxes with the following text: "Different aspects of bank guarantee", "Law, Rules and Regulations, Guidelines", and "Bank guarantee is an important legal and financial instrument to have stable trade, business and infrastructural activities for the robust economic growth". The NPTEL logo is in the top right, and a video inset of the speaker is in the bottom right.

In this section, we will deal with different aspects of bank guarantee, law, rules and regulations and guidance. It is important to know that bank guarantee is a legal and financial instrument to have a stable trade, business and infrastructural activities for the robust economic profit.

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The slide is titled "Bank guarantee and legal framework" and features the NPTEL logo in the top right corner. It contains a list of legal provisions related to bank guarantees, each separated by a horizontal line. On the right side of the slide, there is a small video inset showing a woman speaking.

- Indian Contract Act of 1872: deals with contract of guarantee and the Bank Guarantee
- Indian Constitution:- Art 299 and Art 300 with respect to Government contracts and public procurement
- Banking Regulations Act : empowers the RBI and Banking institutions to make rules and regulations for obtaining the Bank Guarantees for the smooth economic growth of the country
- RBI rules and Notifications: RBI is the Central bank of India which regulates the banking system in the Country.
- General Financial Rules 2017: All the government procurement and contracts follow this rules and therefore rules are made for procuring Bank Guarantees in Government contracts
- CVC guidelines: The Central Vigilance commission determines important guidelines to be followed regarding bank guarantees and government contract
- CAG guidelines: The public Procurement is audited by the office of the CAG and therefore makes essential guidelines for governments to be accountable in matters of Bank Guarantees

What is the legal framework of bank guarantees? Let us try to understand the different laws applicable to the bank guarantees. First and foremost, Indian Contract Act of 1872 deals with the contract of guarantees and the bank guarantees as applicable in specific areas. The Indian Constitution, particularly Article 299 and Article 300 deal government contracts and public procurement.

The next is Banking Regulations Act of 1949. This Act empowers the RBI and banking institutions to make rules and regulations for obtaining the bank guarantees for the smooth economic growth of the country.

RBI rules and notifications: RBI is empowered by the banking regulations act, and therefore, is the Central Bank of India which regulates the entire banking system in the country.

General Financial Rules of 2017: it is important to know that all the government procurement and contracts follow the General Financial Rules as Rules are made for procuring bank guarantees in government contracts.

CVC Guidelines: Central Vigilance Commission determines important guidelines to be followed regarding bank guarantees as the government is accountable because of public procurement.

CAG Guidelines: the public procurement is audited by the office of Comptroller and Auditor General and therefore makes essential guidelines for governments to be accountable in matters of bank guarantees.

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Contract of Guarantee

The slide is titled "Contract of Guarantee" in red text at the top. On the left, there is a small image of a gavel and scales of justice on a wooden surface, with the text "Indian Contract Act 1872" below it. On the right, a diagram shows three boxes: "Principal debtor" at the top, "Surety" at the bottom left, and "Creditor" at the bottom right. Lines connect "Principal debtor" to "Surety", "Principal debtor" to "Creditor", and "Surety" to "Creditor". In the top right corner of the slide, there is a circular logo with a star and the text "NPTEL". In the bottom right corner, there is a small video inset showing a woman speaking.

We next move on to Indian Contract Act. What is a contract of guarantee? There are three objects in the contract of guarantee. There are principal debtor, surety and creditor. And as such, the bank guarantee also has three important components. They are principal debtor, surety and creditor. And it is important to know that the banks always act as a surety in the matters of bank guarantees.

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Contract of Guarantee

Types of Guarantee

- Limited Guarantee
- Continuing Guarantee

Limited Bank Guarantee:

- A guarantee extends to single transactions with a limited period of time and liability between the Principal debtor and Creditor
- A guarantee which limits the transaction to certain amount or to certain duration of the transaction

Continuing Bank guarantee:
S.129

- A guarantee which extends to series of transactions between the Principal debtor and the Creditor
- Guarantee which has several and distinct transactions
- Guarantee in high value infrastructure projects , government contracts



So, there are two types of bank guarantee, one is limited and one is continuing bank guarantee. In a limited bank guarantee, a guarantee extends to a single transaction, which has a limited period of time and a limited liability, which is between the principal debtor and the creditor, a guarantee which limits the transaction to a certain amount or to certain duration of the transaction is a simple limited bank guarantee.

And what is a continuing bank guarantee? A guarantee, which extends to the series of transactions between the principal debtor and the creditor, the guarantee has several distinct transactions. For example, in a government contracts which involves high value infrastructure projects, the continuing back guarantee is applicable.

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Let us look into what exactly a bank guarantee is. As the word says, a bank guarantee is a promissory legal instrument. Promissory means the bank guarantees the lender that the debtors, liabilities of the debtors are catered to in a timely manner. In a bank guarantee, the bank offers to stand as to guarantor on behalf of the business customer in a financial transaction.

Bank guarantees are very commonly used among business entities, because they help businesses, as creditors get reassurance to the repayment of a loan if the business is for various reasons unable to repay the loan. When a bank signs a bank guarantee, it promises to pay any amount according to what is prescribed in the terms of the contract.

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Types of Guarantees



Types of Guarantees

Direct and Indirect guarantees

Direct guarantees in foreign or domestic business, are issued directly to the beneficiary.	Eg- Financial Guarantee: The bank acts as surety and guarantees the payment to the creditor, which is to be given by the Principal Debtor	Indirect guarantees occur most often in the international trade, especially when government agencies or public entities are the beneficiaries of the guarantee.	For eg: The bank acts as surety to foreign bank in a international transaction
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Other important types of guarantees are direct and indirect bank guarantees. Direct guarantees are in foreign or domestic business and are usually directly beneficial to the beneficiaries. For example, in a financial guarantee, the bank acts as a surety and guarantees the payment to the creditor, which is to be given by the principal debtor. And an indirect guarantee is used often in international trade, which is not directly given to the beneficiaries but is given to any government agency or any other financial institution. For example, the bank acts as a surety to a foreign bank in an international transaction.

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Classification of Bank Guarantees



Financial bank guarantee	Performance guarantees
Financial bank guarantees is a debt(buyer) owed from the debtor to the creditor(seller)	The terms and conditions obligations are specified in the contract .The contract is dependent on the execution and performance as mentioned in the terms of the contract
Banks guarantee that the buyer will repay the debts owed to the seller.	The business entity when unable to provide the services as promised, the beneficiary will claim it from the guarantor which is the bank.
When the buyer fails to do so, the bank shall repay the debt to the beneficiary.	



Other important classifications of a bank guarantee are the financial guarantee and performance guarantee. A financial bank guarantee is a debt owed, from the debtor to the creditor. The bank guarantees that the buyer will repay the debts owed to the seller. So, when the buyer fails to do so, the bank shall repay the debt to the beneficiary.

And what is the performance guarantee? The terms and conditions of a performance guarantee are specified in the contract. The contract is dependent on the execution of a performance as mentioned in the terms of the contract. The business entity when unable to provide the services as promised, the beneficiary claimed from the guarantor which is actually a bank.

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Advantages of Bank Guarantee

- Bank guarantee reduces the financial risk involved in the business transaction.
- Due to low risk, beneficiaries are encouraged to expand their business on a credit basis.
- Banks generally charge some interests for guarantees, which are affordable to small-scale business like MSME
- Bank guarantees are also an important way to analyze and certify the financial stability of the business, its credibility and thus increases business growth and opportunities. The very reason is that the bank guarantees are regulated by the RBI and due diligence by the banks increases its creditworthiness.
- Bank guarantees will cover all liabilities
- When the bank guarantee is exercised, the beneficiaries receives payment form the bank. The Courts have time and again emphasised on timely payment of Bank guarantees when invoked as per the contract.
- Bank guarantee is advantageous for long term projects



There are various advantages of bank guarantees. As such, the bank guarantee reduces the financial risks involved in the business transaction. Because of the nature of low risk, beneficiaries are encouraged to expand their business on a credit basis. So, banks generally charge some interest for guarantees, which is beneficial and affordable to small-scale businesses like MSMEs.

Bank guarantees are also an important way to analyze and certify the financial stability of the business. The very reason that the bank guarantees are regulated by RBI, due diligence is conducted by the banks and it increases the creditworthiness of the business houses. Bank guarantees to cover all the liabilities as prescribed in the contract. When the bank guarantee is exercised or invoked, the beneficiaries receive payment from the bank. The courts have time and again emphasized that timely payment of a bank guarantee when invoked is the right of a business house. A bank guarantee is advantageous for long-term projects or continuing guarantees.

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Challenges of Bank Guarantees



Challenges of BG

For certain guarantees involving high-value or high-risk transactions, banks will require collateral security to process the guarantee.

Strict assessment of banks

Financial Guarantee is considered to assume more risk than a performance Guarantee. Hence, the fee for financial guarantee will be higher than the fee charged for performance guarantee

A continuing guarantee extends to a series of transactions and therefore the banks require collateral as well charge high interests.



So, let us also look into what the challenges of a bank guarantee are. For certain guarantees involving high-value or high-risk transactions, banks require collateral security to process the guarantee. And therefore, along with the security deposit, the banks require additional collateral security to be maintained so that there is a low risk involved. The strict assessment of banks, and the due diligence by banks since that the bank the creditworthiness of the business houses is increased, but sometimes the strict assessments take a long time.

A financial guarantee is considered to assume more risk than a performance guarantee. Hence, the fee for a financial guarantee is higher than the fee charged for a performance guarantee. A continuing guarantee extends to a series of transactions, and therefore, the banks require collateral as well as charge high interest. This makes the working capital and a certain amount of working capital to be deposited in the bank.

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Bank Guarantee and Indian Contract Act



Bank Guarantee and Indian Contract Act

S.128:-The liability of the surety is co-extensive with that of the principal debtor, unless it is otherwise provided by the contract.

S.133 :-Any variance, made without the surety's consent, in the terms of the contract between the principal [debtor] and the creditor, discharges the surety as to transactions subsequent to the variance.

S 134. Discharge of surety by release or discharge of principal debtor: "The surety is discharged by any contract between the creditor and the principal debtor, by which the principal debtor is released, or by any act or omission of the creditor, the legal consequence of which is the discharge of the principal debtor."

Incase of discharge by operation of law in bankruptcy or in liquidation proceedings would it discharge the bank from its liability in a bank guarantee?

S.141:-Section 141 of the Indian Contract Act, 1872 deals with the right against a creditor. The surety enjoys some rights against the creditor: Right to securities, Right to share reduction, Right to set off.



Now, what are the sections applicable under the Indian Contract Act, Section 128, Section 133, Section 134 and Section 141. It is important to note that in a bank guarantee, since the bank acts as a surety, all the rights and liabilities of the surety are attached to the bank. And therefore, all these sections are applicable to the banks as surety.

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Maharashtra Electricity Board, Bombay Official Liquidator,
High Court of Ernakulum and Anr (1982)

- **Incase of discharge by operation of law in bankruptcy or in liquidation proceedings would it discharge the bank from its liability in a bank guarantee?**
- 134. Discharge of surety by release or discharge of principal debtor: "The surety is discharged by any contract between the creditor and the principal debtor, by which the principal debtor is released, or by any act or omission of the creditor, the legal consequence of which is the discharge of the principal debtor."
- **The Supreme Court held that**
- "incase of such situation as operation by law in bankruptcy or in liquidation, it would not absolve the bank from its liability under the bank guarantee and the courts would enforce guarantee"
- an exception to this is the "case of fraud"
- the bank guarantee is an independent and separate contract
- liability of the bank is not dependent on any underlying contract

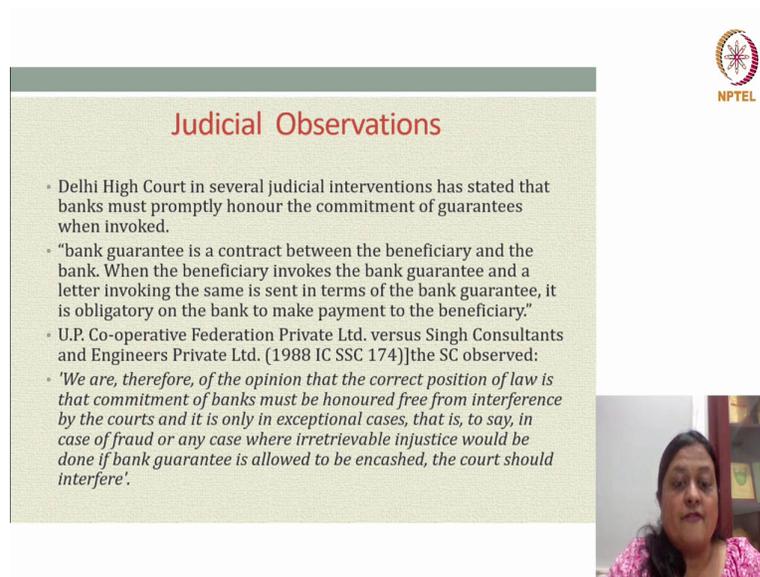


In an important case by the Supreme Court of India, Maharashtra Electricity Board, Bombay Official Liquidator and the High Court of Ernakulum and Anr, it was held that when a bank

guarantee is invoked the banks have to repay the amount and in a categorical statement the Supreme Court held that the bank guarantee is an independent and separate contract. The liability of the bank is not dependent on any underlying contract.

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Judicial Observations



The slide features a green header with the title "Judicial Observations" in red. Below the title is a list of four bullet points. The first point states that the Delhi High Court has stated that banks must promptly honor commitments when invoked. The second point defines a bank guarantee as a contract between the beneficiary and the bank. The third point references the Supreme Court case U.P. Co-operative Federation Private Ltd. versus Singh Consultants and Engineers Private Ltd. (1988 IC SSC 174). The fourth point is a quote from the Supreme Court regarding the correct position of law. In the top right corner, there is a circular logo with a gear and the text "NPTEL". In the bottom right corner, there is a small video inset showing a woman with dark hair wearing a pink patterned top.

- Delhi High Court in several judicial interventions has stated that banks must promptly honour the commitment of guarantees when invoked.
- "bank guarantee is a contract between the beneficiary and the bank. When the beneficiary invokes the bank guarantee and a letter invoking the same is sent in terms of the bank guarantee, it is obligatory on the bank to make payment to the beneficiary."
- U.P. Co-operative Federation Private Ltd. versus Singh Consultants and Engineers Private Ltd. (1988 IC SSC 174)]the SC observed:
- *'We are, therefore, of the opinion that the correct position of law is that commitment of banks must be honoured free from interference by the courts and it is only in exceptional cases, that is, to say, in case of fraud or any case where irretrievable injustice would be done if bank guarantee is allowed to be encashed, the court should interfere.'*

The Delhi High Court in its several judicial interventions has stated that banks must promptly honor the commitment of guarantees when invoked. In the words of the Delhi High Court, a bank guarantee is a contract between the beneficiary and the bank. When the beneficiary invokes the bank guarantee and the ledger invoking the same is sent to the bank, it is obligated for the bank to make payment.

In another important case, UP Cooperative Federation Ltd. v. Singh Consultants and Engineers Private Ltd, Supreme Court said that “we are, therefore, of the opinion that the correct position of law is that commitment of banks must be honored free from interference by the courts. And only exceptional cases where the court can intervene is the case of fraud.”

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Payment of Invoked Guarantees: RBI Rules



Payment of Invoked Guarantees
RBI Rules

Where guarantees are invoked, payment should be made to the beneficiaries without delay.

An appropriate procedure for ensuring such immediate honouring of guarantees should be laid down by every banking institution

There shall be no delay on the pretext that legal advice or approval of higher authorities is required

"Delays on the part of banks in honouring the guarantees when invoked tend to erode the value of the bank guarantees, the sanctity of the scheme of guarantees and image of banks" RBI observations

It also provides an opportunity to the parties to take recourse to courts and obtain injunction orders, which is legal entanglement

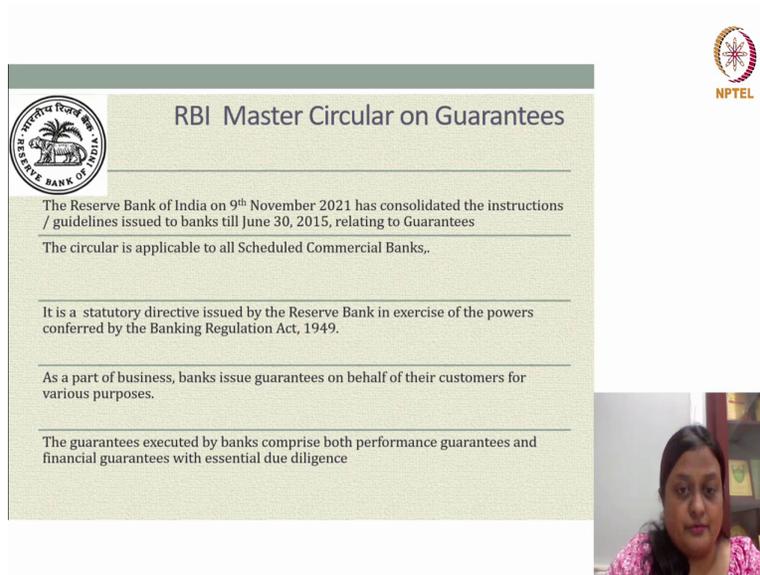


And because of such High Court and Supreme Court interventions, the RBI has made such influence the payment of invoked guarantees. When guarantees are invoked, payment should be made to the beneficiaries without delay. An appropriate procedure for ensuring such immediate honoring of guarantees has to be laid down by every banking institution in the contract. There shall be no delay on the pretext that legal advice or approval is required.

Delays on the part of banks in honoring the guarantees when invoked tend to erode the value of bank guarantees. This RBI observation has led the RBI to make rules, specific rules for invoking bank guarantees and payment. It also provides an opportunity for the parties to take recourse to courts and obtain injunctions, which is actually a legal entanglement.

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RBI Master Circular on Guarantees



The slide features the Reserve Bank of India logo on the left and the NPTEL logo on the right. The title "RBI Master Circular on Guarantees" is centered at the top. The main text is organized into four horizontal sections separated by thin lines. The first section states that the RBI consolidated instructions and guidelines issued to banks until June 30, 2015, relating to guarantees, and that the circular is applicable to all Scheduled Commercial Banks. The second section notes that it is a statutory directive issued by the RBI in exercise of powers conferred by the Banking Regulation Act, 1949. The third section explains that as a part of business, banks issue guarantees on behalf of their customers for various purposes. The final section states that the guarantees executed by banks comprise both performance guarantees and financial guarantees with essential due diligence. A small video inset of a woman is visible in the bottom right corner of the slide.

RBI Master Circular on Guarantees

The Reserve Bank of India on 9th November 2021 has consolidated the instructions / guidelines issued to banks till June 30, 2015, relating to Guarantees

The circular is applicable to all Scheduled Commercial Banks.

It is a statutory directive issued by the Reserve Bank in exercise of the powers conferred by the Banking Regulation Act, 1949.

As a part of business, banks issue guarantees on behalf of their customers for various purposes.

The guarantees executed by banks comprise both performance guarantees and financial guarantees with essential due diligence

Let us look into what is an RBI Master Circular on Guarantees. The Reserve Bank of India on November 9, 2021, consolidated all the instructions and guidelines issued to the banks till June 30, 2015. The circular is applicable to all the scheduled commercial banks and this circular is available on the RBI website.

Now, it is a statutory directive issued by the RBI in the exercise of powers conferred by the Banking Regulation Act of 1949. Since, as a part of business, banks issue guarantees, it is important that the RBI regulate the conduct of business in case of bank guarantees.

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General Financial Rules 2017



The slide features the NPTEL logo in the top right corner. On the left, there is a small image of the 'General Financial Rules 2017' cover. The main title 'General Financial Rules 2017' is centered at the top. Below the title, two text boxes contain the following information:

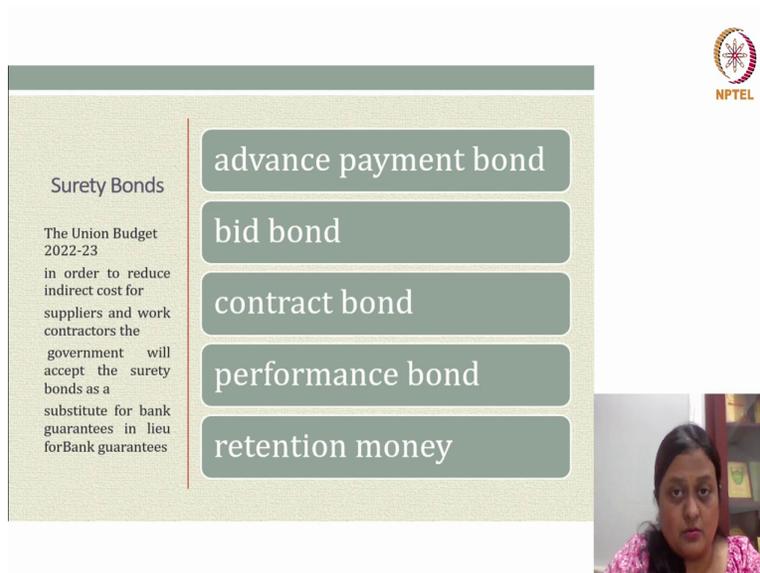
- Amendment :- Acceptance of Electronic bank Guarantee
- Surety Bonds are accepted in lieu of Bank Guarantees

A small video inset of a woman is visible in the bottom right corner of the slide.

The General Financial Rules of 2017 is an important set of rules in government procurement. There are two latest amendments regarding the bank guarantees they are acceptance of 'Electronic Bank Guarantees', which is in tune with the Make in India initiative and the IT development of the country and that surety bonds are now accepted in lieu of the bank guarantees.

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Surety Bonds



The slide features the NPTEL logo in the top right corner. On the left, there is a text box with the following information:

Surety Bonds

The Union Budget 2022-23 in order to reduce indirect cost for suppliers and work contractors the government will accept the surety bonds as a substitute for bank guarantees in lieu for Bank guarantees

On the right, five green rounded rectangular boxes list the following types of bonds:

- advance payment bond
- bid bond
- contract bond
- performance bond
- retention money

A small video inset of a woman is visible in the bottom right corner of the slide.

Let us look into what are surety bonds. Since the Union Budget '22 and '23, in order to reduce the indirect cost, surety bonds can be used. An indirect cost is around 20 per cent to 30 per cent of the working capital given to the banks as a security deposit or as collateral, makes the suppliers and the work contracts increase their cost, and therefore, the government has come to a decision that to ease the liquidity the surety bonds are accepted as a substitute for bank guarantees.

The important types of surety bonds are as same as bank guarantees. They are advanced payment bonds, bid bonds, contract bonds, performance bonds and retention money.

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Surety bond

Amendment to GFR 2017

IRDA Guidelines

Improved liquidity, as Bank Guarantees require nearly 20 percent of working capital.

Increase in private investments

Diversified risks as insurance bodies act as an alternative to banks

Revenue and capital market access to insurance companies

Access to increased project opportunities



So, today surety bonds are accepted in lieu of bank guarantees an amendment to General Financial Rules was made to ease the business transaction, and therefore, the Insurance Regulatory and Development Authority of India made guidelines, because the insurance sector has come to the financial market, which results in improved liquidity as bank guarantees required nearly 20 per cent of the working capital.

Since the involvement of the insurance company increases private investments and it also diversifies the risks as insurance bodies act as an alternative to banks. Revenue and capital market access is given to the insurance companies as such there is more credit flow and liquidity into the financial market. Now, it also has access to increased project opportunities, and therefore, because of high infrastructure projects having high value and high risks, insurance company acts as a surety.

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Essential Features of Safety Insurance Contract



Essential Features of Surety Insurance contract

- The essential features of a Surety Insurance contract shall be as follows.
- It shall be a contract of guarantee under Section 126 of the Indian Contract Act, 1872.
- It is a contract to perform the promise or discharge the liability of a third person in case of his default.
- The person who gives the guarantee is called the "Surety";
- the person in respect of whose default the guarantee is given is called the "principal debtor", and
- the person to whom the guarantee is given is called the "creditor"



The essential features of the surety insurance contract are as follows:

It is a contract of indemnity. But when it becomes a surety insurance contract, it becomes a contract of guarantee and shall be a contract of guarantee under Section 126 of the Indian Contract Act.

It is a contract to perform the promise or discharge the liability of a third person in case of default. The person who gives the guarantee is called surety and the person in respect of whose default the guarantee is given is called the principal debtor. The person to whom the guarantee is given is called the creditor.

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Types of Surety Contracts

- Advance Payment Bond
- Bid Bond
- Contract Bond
- Customs and Court Bond
- Performance Bond
- Retention Money Bond

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It is important to know that insurance when it is an indemnity contract has two parties and insurance when it becomes a guarantee has three parties under tripartite agreement. So, what are the types of surety contracts? They are advance payment bonds, bid bonds, contract bonds, customs and court bonds, performance bonds and retention money bonds.

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Bank Guarantee and Surety Bonds

Bank Guarantee and Surety Bonds

Bank guarantees are accompanied by Collaterals and the high amount of security deposits	Surety bonds are legally binding tripartite agreement
Bank guarantees are payable on demand (when Invoked)	Surety bonds are collateral free
Bank guarantees has to be renewed periodically and the duration as determined by RBI	Surety bonds are issued by the Insurance company for the tenure of the Project
	It is reimbursed like an insurance policy

NPTEL

So, now, let us look into what are the, what are the differences between bank guarantees and surety bonds. Bank guarantees are accompanied by collaterals and a high amount of security

deposits, whereas surety bonds are collateral free. A bank guarantee is a tripartite agreement and as such surety then as insurance when is an indemnity is a two-party agreement, when the insurance becomes a surety contract, it becomes a three-party agreement.

The bank guarantees are payable on demand, which means when invoked, the banks are obliged to pay the guarantee. And surety bonds are issued by the insurance company for the tenure of the project and it is reimbursed like an insurance policy. Bank guarantees have to be renewed periodically and the duration is determined by the RBI. RBI regulates the bank guarantees, whereas IRDA regulates the surety bonds.

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Letter of Credit



Letter of Credit(LC)

A Letter of Credit is a contract wherein a bank guarantees the payment of a supplier

The supplier meets the conditions agreed upon in the LC.

In an LC of a sales contract , the important entities are the buyer ,issuing bank, advising bank.

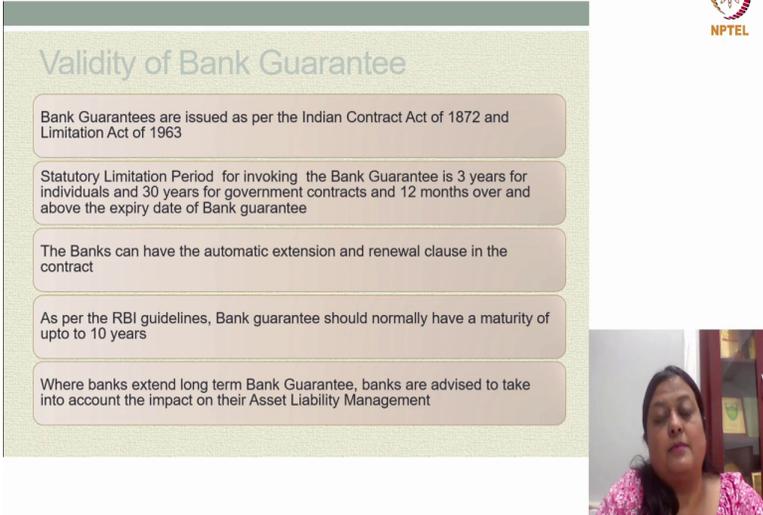
The Letter of Credit is usually in an international trade
Banks should comply with the directions, regulations issued under Foreign Exchange Management (Guarantee) Regulations, 2000 as amended from time to time.



Let us also learn what a letter of credit is. A letter of credit is a contract wherein a bank guarantees the payment of a supplier. It has the essential features of a bank guarantee. The supplier meets the conditions agreed upon in the letter of credit. In the letter of credit of a sales contract, the important entities are the buyer, the issuing bank and an advising bank. The feature of a letter of credit is that it is an indirect bank guarantee; it is usually an international trade. And since it is applied in international trade, the banks should comply with the directions, and regulations issued under the Foreign Exchange Management Regulations as amended from time to time.

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Validity of Bank Guarantee



Validity of Bank Guarantee

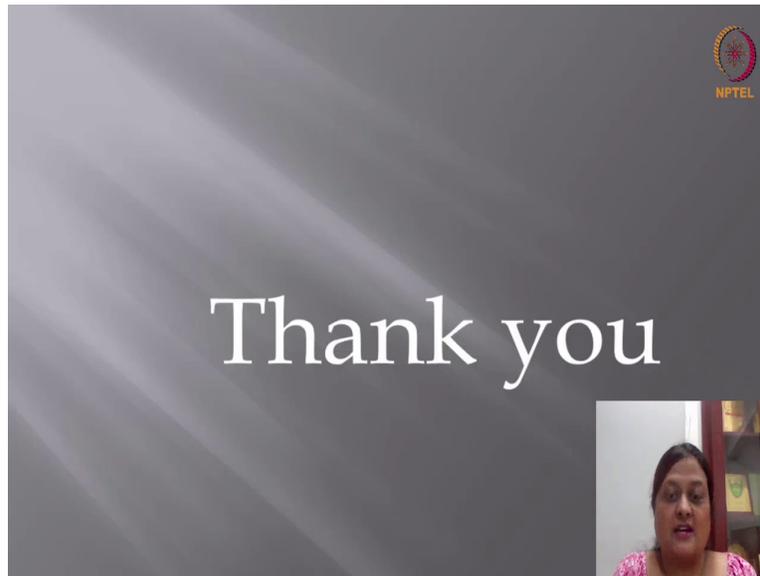
- Bank Guarantees are issued as per the Indian Contract Act of 1872 and Limitation Act of 1963
- Statutory Limitation Period for invoking the Bank Guarantee is 3 years for individuals and 30 years for government contracts and 12 months over and above the expiry date of Bank guarantee
- The Banks can have the automatic extension and renewal clause in the contract
- As per the RBI guidelines, Bank guarantee should normally have a maturity of upto to 10 years
- Where banks extend long term Bank Guarantee, banks are advised to take into account the impact on their Asset Liability Management

What is the validity of a bank guarantee? Bank guarantees are issued as per the Indian Contract Act of 1872 and the Limitation Act of 1963. The statutory limitation period for invoking the bank guarantee is three years for individuals, 30 years for government contracts and 12 months over and above the expiry date of the bank guarantee. And 12 months over and above the expiry date of a bank guarantee is called the grace period and is also recognized by the higher courts.

The banks have automatic extension and renewal clauses in the contract. As per the RBI guidelines, the bank guarantee should normally have a maturity of up to 10 years, which can be renewed from time to time as per the RBI regulations. Therefore, when the bank extends long-term guarantee, it has to look into the impact on the asset-liability and management.

We are seeing that since post-COVID the economy requires more liquidity, and more infusion of capital in the market for infrastructure projects and government projects or for government procurement. As such, bank guarantees plays a vital role in the economic growth of the country and also surety bonds and letter of credit.

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That is about bank guarantee and its legal framework. I hope this video was educative to all the learners. Thank you.