

PROFORMA OF BANK GUARANTEE (for EMD)

In consideration of the Bharat Heavy Electricals Limited ¹ (hereinafter referred to as 'BHEL' which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) incorporated under the Companies Act, 1956 and having its registered office at BHEL House Siri Fort New Delhi 110049 through its Unit at Ranipet having agreed to exempt (Name of the Vendor / Contractor / Supplier) having its registered office at _____ ² (hereinafter called the said Contractor which term includes supplier), under the terms and conditions of the tender reference No. _____ dated _____ ³ payment of EMD.

Rs. ⁴ (Rupees -----) ⁴ is payable towards part of EMD for the due fulfilment by the said contractor of the terms and conditions contained in the said tender, on production of a Bank Guarantee for Rs. _____ ⁵ (Rupees _____ only).

We ____ (indicate the name and address of the Bank) having its Head Office at _____ (address of the head Office) (hereinafter referred to as the Bank) at the request of _____ [Contractor(s)] do hereby undertake to pay to BHEL an amount not exceeding Rs. _____ in the event of any breach by the said Contractor(s) of any of the terms and conditions contained in the said tender.

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 a demand from BHEL. 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. _____.

We undertake to pay to BHEL any money so demanded notwithstanding any dispute or disputes raised by the Contractor(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 guarantee shall be a valid discharge of our liability for payment hereunder and the Contractor(s) shall have no claim against us for making such payment.

We, further agree that the guarantee herein contained shall remain in full force and effect till the award of tender to the successful bidder. Validity of BG will be six months from the date of tender opening. However, BG of EMD will be returned after the award of tender. BG is to be valid till 27/08/2017 ⁶. Unless a demand or claim under this guarantee is made on us in writing on or before the 27/08/2017 ⁷, we shall be discharged from all the liability under this guarantee thereafter.

We, _____ (indicate the name of the Bank) _____ further agree with the BHEL that the BHEL 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 tender or to extend time of BG by the said contractor(s) from time to time or to postpone for any time or from time to time.

This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s).

We,..... BANK lastly undertake not to revoke this guarantee during its currency except with the previous consent of the BHEL in writing.

Notwithstanding anything to the contrary contained hereinabove:

- a) The liability of the Bank under this Guarantee shall not exceed..... ⁸
- b) This Guarantee shall be valid up to 27/08/2017 ⁹
- c) Unless the Bank is served a written claim or demand on or before 27/08/2017 ¹⁰ all rights under this guarantee shall be forfeited and the Bank shall be relieved and discharged from all liabilities under this guarantee irrespective of whether or not the original bank guarantee is returned to the Bank.

We, _____ (indicate the name of the Bank) _____ lastly undertake not to revoke this guarantee during its currency except with the previous consent of the BHEL in writing.

Date _____ Day of _____
for _____ (indicate the name of the Bank) _____

(Signature of Authorised signatory)

¹ NAME AND ADDRESS OF BUYER I.e Bharat Heavy Electricals Limited

² NAME AND ADDRESS OF THE VENDOR /CONTRACTOR / SUPPLIER.

³ DETAILS ABOUT THE NOTICE OF AWARD/CONTRACT REFERENCE

⁴ PROJECT/SUPPLY DETAILS

⁵ BG AMOUNT IN FIGURES AND WORDS

⁶ VALIDITY DATE

⁷ DATE OF EXPIRY OF CLAIM PERIOD

⁸ BG AMOUNT IN FIGURES AND WORDS.

⁹ VALIDITY DATE

¹⁰ DATE OF EXPIRY OF CLAIM PERIOD

Note:

1. Units are advised that expiry of claim period may be kept 2/3 months after validity date.

2. In Case of Bank Guarantees submitted by Foreign Vendors-

- a. **From Nationalized/Public Sector / Private Sector/ Foreign Banks (BG issued by Branches in India)** can be accepted subject to the condition that the Bank Guarantee should be enforceable in the town/city or at nearest branch where the Unit is located i.e. Demand can be presented at the Branch located in the town/city or at nearest branch where the Unit is located.
- b. **From Foreign Banks (wherein Foreign Vendors intend to provide BG from local branch of the Vendor country's Bank)**
 - b.1 In such cases, in the Tender Enquiry/ Contract itself, it may be clearly specified that Bank Guarantee issued by **any of the Consortium Banks only** will be accepted by BHEL. As such, Foreign Vendor needs to make necessary arrangements for issuance of Counter-Guarantee by Foreign Bank in favour of the Indian Bank (BHEL's Consortium Bank). It is advisable that all charges for issuance of Bank Guarantee/ counter- Guarantee should be borne by the Foreign Vendor. The tender stipulation should clearly specify these requirements.
 - b.2 **In case, Foreign Vendors intend to provide BG from Overseas Branch of our Consortium Bank** (e.g. if a BG is to be issued by SBI Frankfurt), the same is acceptable. However, the procedure at **sl.no. b.1** will required to be followed.
 - b.3 The BG issued may preferably be subject to Uniform Rules for Demand Guarantees (URDG) 758 (as amended from time to time). In case, of Foreign Vendors, the BG Format provided to them should clearly specify the same.
 - b.4 The BG should clearly specify that the demand or other document can be presented in electronic form.

This BG is part of EMD amount.

Sum of DD/Pay order / RTGS payment and this BG amount is to be equal to Rs27.15 Lakhs

ie., Rupees Twenty Seven lakhs and fifteen thousand only .