

**BANK GUARENTEE FOR SUPPLY FREE
ISSUE MATERIAL**

Bank
Guarantee No:

Date:

To
NAME & ADDRESSES OF THE BENEFICIARY:

Dear Sirs,

In consideration of Bharat Heavy Electricals Limited¹ (hereinafter referred to as the 'Employer' 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

_____ ¹ through its Unit at _____ (Name of the Unit) having
_____ awarded to _____

_____ ² (~~Name of the Vendor / Contractor~~ / Supplier), with its registered
_____ office at _____ ²

(hereinafter called "the Vendor/Contractor/Supplier" which expression shall include its successors and

permitted _____ assigns) a contract date _____ ³ valued at Rs.
Ref No. _____ d _____

(Rupees _____)/ FC _____ (in words _____) _____ ⁴ (hereinafter
for the 'Contract') _____ called

AND WHEREAS the Employer having agreed as per the terms and conditions of the Contract to supply

free issue material costing Rs.____for the manufacture/fabrication of the equipment at the 'Contractor/Supplier/Fabricator's' site on furnishing of a Bank Guarantee for Rs./FC_____(Rupees/FC____)5 in the manner hereinafter specified for the due safeguard of the free issue material,

we,_____(hereinafter referred to as the Bank), having registered/Head office at_____and inter alia a branch at____being the Guarantor under this Guarantee, hereby irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer any sum or sums upto a maximum amount but not exceeding Rs./FC_____(Rupees/FC____) without any demur, merely on a demand from the Employer and without any reservation, protest and recourse and without the Employer needing to prove or demonstrate reasons for its such demand.

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 the Employer any money so demanded notwithstanding any dispute or disputes raised by the 'Contractor/Supplier/Fabricator in any suit or proceeding pending before any Court or Tribunal or Arbitrator or any other authority, 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/Supplier/Fabricator' shall have no claim against us for making such payment.

We 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 Contract and till the

reconciliation of the free issue material has been carried out and that it shall continue to be enforceable till all the dues of the Employer under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged.

We_____Bank further agree that the Employer 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 Contract or to extend time of performance by the said

'Contractor/Supplier/Fabricator' from time to time or to postpone for any time or from time to time any of the powers exercisable by the Employer against the said Contractor/Supplier/Fabricator and to forbear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said

'Contractor/Supplier/Fabricator' or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said 'Contractor/Supplier/Fabricator' or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

The Bank also agrees that the Employer at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor/Supplier/ Fabricator and notwithstanding any security or other guarantee that the Employer may have in relation to the Contractor's/Supplier's/ Fabricator's liabilities.

This Guarantee shall remain in force upto and _____⁶ and shall be extended including time to time for such period as may _____ from be desired by Employer.

This Guarantee shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Contractor/ Supplier/ Fabricator but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms thereof.

Unless a demand or claim under this guarantee is made on us in writing on or before the

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we shall be discharged from all liabilities under this guarantee thereafter.

We, _____ BANK lastly undertake not to revoke this guarantee during its currency except with

the previous consent of the Employer in writing.

Any claim or dispute arising under the terms of this Guarantee shall be subject to the exclusive

jurisdiction of the court at NEW DELHI only.

Notwithstanding anything to the contrary contained hereinabove:

a) The liability of the Bank under this Guarantee shall not exceed _____ 5

b) _____ This Guarantee shall be valid up to 6

c) Unless the Bank is served a written claim or demand on or before _ 7
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, _____ Bank, have power to issue this Guarantee under law and the undersigned as a

duly authorized person has full powers to sign this Guarantee on behalf of the Bank.

For and on behalf of
(Name of the Bank)

Dated _____

Place of Issue _____

- 1 NAME AND ADDRESS OF THE EMPLOER. i.e. Bharat Heavy Electricals Limited
- 2 NAME AND ADDRESS OF THE CONTRACTOR / SUPPLIER/ FABRICATOR.
- 3 DETAILS ABOUT THE NOTICE OF AWARD/CONTRACT REFERENCE
- 4 PROJECT/SUPPLY DETAILS AND CONTRACT VALUE
- 5 BG AMOUNT IN FIGURES AND WORDS
- 6 VALIDITY DATE
- 7 DATE OF EXPIRY OF CLAIM PERIOD