

PROFORMA OF BANK GUARANTEE (in lieu of SECURITY DEPOSIT)

In consideration of the 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 BHEL House, Siri Fort, New Delhi - 110049, India through its Unit at HPEP(BHEL) ,R C Puram,Hyderabad having agreed to exempt (M/s) having its registered office at² (hereinafter called the said Contractor which term includes supplier), from demand under the terms and conditions of the Contract reference No dated³ valued at Rs (Rupees
Only)⁴ (hereinafter called the said Contract) of Security Deposit for the due fulfilment by the said contractor of the terms and conditions contained in the said Contract, on production of a Bank Guarantee for Rs. (Rupees.....) 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 the Employer an amount not exceeding Rs..... n the event of any breach by the said Contractor(s) of any of the terms and conditions contained in the said Contract.

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 the Employer. 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(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.

for _____ (indicate the name of the Bank)
(Signature of Authorised signatory)