

## **Instructions/Checklist for Vendors :**

- 1) Bank Guarantee / BG Extention shall be made strictly as per BHEL's Standard format as available on B2B site.
- 2) **Validity date** must be explicitly mentioned in the BG. There should be adequate gap, preferably 3-6 months between Validity date and Claim date.
- 3) **Claim Date** must be mentioned in the BG.
- 4) **Confirmation:** As per Corporate and RBI guideline confirmation is required in respect of each BG. Confirmation may be provided by the same issuing branch by the officials higher in rank or from the office mentioned in the BG for confirmation. Thus Vendors must ensure that BG bears the Confirmation office address explicitly.
- 5) **Stamps:** Stamps must be purchased from registered stamp vendor. Stamp purchase date must be old than the date of the execution of the Bank Guarantee. E stamp is also allowed. Stamp must be purchased for BG purposes only. Place of execution of BG and purchase of stamp shall be in the same State.
- 6) **Value of stamp must be as per Stamp act prevailing in the state where the BG is submitted or the state where the BG executed, whichever is higher.**
- 7) **Bank Seal and sign of Bank Employee:** BG must be signed and sealed on every page of the BG. Employee Name and Code must be present in the BG at the end of the BGs text. Every BG having value more than 50,000/- must be signed by two authorized signatories of the bank.
- 8) **Place of Invocation must mention on BG.**
- 9) **BGs should not be from the co-operative banks**
- 10) **BGs can be issued through consortium banks only.**
- 11) **Vendors must provide the BG from banks which are already SFMS Compliant. If vendors banks are not SFMS Compliant, a declaration from bank is required. For sending SFMS bank detail is - ACCOUNT HOLDER: BHARAT HEAVY ELECTRICALS LTD., CURRENT ACCOUNT NO. : 30855948540, BANK : SBI, HET BHOPAL, IFSC: SBIN0000519, MICR : 462002011.**
- 12) **Email ID, phone no, Fax No of bank must mention on BG.**
- 13) **Extension/Amendment of BG is required on Rs. 1000/- Stamp Paper.**
- 14) **Bank Guarantee for Advance Payment – The BG shall be for 110% of the value of advance.**
- 15) **Cutting / overwriting on the BG shall be properly authenticated under signature and seal of the executing Bank.**
- 16) **Latest Solvency certificate:** Latest Solvency Certificate in original, with **Bank Seal and sign of Bank Employee**, in BHEL's standard format shall be enclosed with Sub Contracting BG.
- 17) **BG documents wherein corrections have been marked may also be enclosed with final corrected BG, where original BG document is being replaced.**
- 18) **Digital signed secured email confirmation required from BG issuing bank.**

**List of Consortium Banks (As on 22.02.2017)**

	<b>Nationalized Banks</b>		<b>Nationalized Banks</b>	
1	Allahabad bank	19	Vijaya Bank	
2	Andhra bank		<b>Public Sector Banks</b>	
3	Bank of Baroda	20	IDBI	
4	Canara Bank		<b>Foreign banks</b>	
5	Corporation bank	21	CITI Bank NA	
6	Central bank	22	Deutsche Bank AG	
7	Indian Bank	23	The Hongkong and Shanghai Banking Corporation Limited	
8	Indian Overseas Bank	24	Standard Chartered Bank	
9	Oriental bank of Commerce	25	JP Morgan	
10	Punjab National Bank		<b>Private Banks</b>	
11	Punjab & Sindh Bank	26	Axis Bank	
12	State Bank of India	27	The Federal Bank	
13	State Bank of Hyderabad	28	HDFC	
14	Syndicate Bank	29	Kotak Mahindra Bank Limited	
15	State Bank of Travancore	30	ICICI Bank	
16	UCO Bank	31	Indusind Bank	
17	Union Bank of India	32	Yes Bank	
18	United Bank of India			

## **Types of Bank Guarantees Format**

- |   |            |
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## BANK GUARANTEE FOR ADVANCE

## Annexure-A

Bank Guarantee No:

Date:

To

NAME  
& ADDRESSES OF THE BENEFICIARY

Dear Sirs,

In consideration of Bharat Heavy Electricals Limited<sup>1</sup> (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** <sup>1</sup> through its Unit at...**BHEL BHOPAL**.....(name of the Unit) having awarded to.....<sup>2</sup> ( Name of the Vendor / Contractor / Supplier), with its registered office at.....<sup>2</sup> (hereinafter called "the Vendor/Contractor/Supplier" which expression shall include its successors and permitted assigns) a contract Ref No.....dated .....<sup>3</sup>valued at Rs.....( Rupees -----)/FC.....(in words.....) for .....<sup>4</sup>(hereinafter called the 'Contract')

AND WHEREAS the Employer has agreed to advance to the Vendor/Contractor/Supplier, a sum of Rs..... (Rupees..... only), equivalent to .....% of the said value of the Contract (hereinafter called "the said Advance"), upon the condition, that the said Advance shall be secured by a guarantee for Rs/ FC ----- ( Rupees/ FC -----)<sup>5</sup> from a Bank as hereinafter appearing.

We, ....., (hereinafter referred to as the Bank), having registered/Head office at ..... and 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 your first demand 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 Vendor/Contractor/Supplier in any suit or proceeding pending before any Court or Tribunal, 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 Vendor/Contractor/supplier 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 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 Vendor/Contractor/Supplier 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 Vendor/Contractor/Supplier 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 Vendor/Contractor/Supplier or for any forbearance, act or omission on the part of the

Employer or any indulgence by the Employer to the said Vendor/Contractor/Supplier 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 Vendor/Contractor/Supplier and notwithstanding any security or other guarantee that the Employer may have in relation to the Vendor/Contractor/Supplier's liabilities.

This Guarantee shall remain in force upto and including..... 6 and shall be extended from time to time on the request of the Employer for such period as may be desired by the Employer.

This Guarantee shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Vendor/Contractor/Supplier but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms hereof. However, unless a demand or claim under this Guarantee is made on us in writing on or before the .....7 we shall be discharged from all liabilities under this Guarantee.

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 document shall only be enforced or settled in the Courts at Bhopal.

The guarantor hereby declare that it has power to execute this guarantee and the executant has full powers to do so on its behalf under the proper authorities granted to him by the of the guarantor.

Further Bank (Name of the BANK) certifies that this guarantee is adequately stamped under the relevant State Stamp Act and any deficiency in execution of this Guarantee shall not have the effect of relieving us

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)

Date.....  
Place of Issue.....  
BANK E-MAIL ID:  
BANK PHONE NO.  
BANK FAX NO:

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

**Note:**

1. Units are advised that expiry of claim period may be kept 3-6 months after validity date. It may be ensured that the same is in line with the agreement/ contract entered with the Vendor.
2. The BG should be on Non-Judicial Stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the State(s) where the BG is submitted or is to be acted upon or the rate prevailing in the State where the BG was executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of Vendor/Contractor/Supplier /Bank issuing the guarantee.
3. In line with the GCC, SCC or contractual terms, Unit may carry out minor modifications in the Standard BG Formats. If required, such modifications may be carried out after taking up appropriately with the Unit/Region's Law Deptt.

**4. 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's (BHEL's Consortium Bank) branch in India. 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). The BG Format provided to them should clearly specify the same.

## Annexure-B

### BANK GUARANTEE FOR SUPPLY FREE ISSUE MATERIAL

Bank Guarantee No:

Date:

To

NAME  
& ADDRESSES OF THE BENEFICIARY

Dear Sirs,

In consideration of Bharat Heavy Electricals Limited<sup>1</sup> (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** through its Unit at...**BHEL BHOPAL**.....(name of the Unit) having awarded to.....<sup>2</sup> ( Name of the Vendor / Contractor / Supplier), with its registered office at.....<sup>2</sup> (hereinafter called "the Vendor/Contractor/Supplier" which expression shall include its successors and permitted assigns) a contract Ref No.....dated.....<sup>3</sup>valued at Rs.....( Rupees -----)/FC.....(in words.....) for .....<sup>4</sup>(hereinafter called the 'Contract')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.....)<sup>5</sup> 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 including..... 6 and shall be extended from time to time for such period as may 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 .....7we 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 document shall only be enforced or settled in the Courts at Bhopal.

The guarantor hereby declare that it has power to execute this guarantee and the executant has full powers to do so on its behalf under the proper authorities granted to him by the of the guarantor.

Further Bank (Name of the BANK) certifies that this guarantee is adequately stamped under the relevant State Stamp Act and any deficiency in execution of this Guarantee shall not have the effect of relieving us

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)

Date.....

Place of Issue.....

BANK E-MAIL ID:

BANK PHONE NO.

BANK FAX NO:

*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*



<sup>6</sup> *VALIDITY DATE*

<sup>7</sup> *DATE OF EXPIRY OF CLAIM PERIOD*

**Note:**

1. Units are advised that expiry of claim period may be kept 3-6 months after validity date. It may be ensured that the same is in line with the agreement/ contract entered with the Vendor.
2. The BG should be on Non-Judicial Stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the State(s) where the BG is submitted or is to be acted upon or the rate prevailing in the State where the BG was executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of Vendor/Contractor/Supplier /Bank issuing the guarantee.
3. In line with the GCC, SCC or contractual terms, Unit may carry out minor modifications in the Standard BG Formats. If required, such modifications may be carried out after taking up appropriately with the Unit/Region's Law Deptt.

**4. 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's (BHEL's Consortium Bank) branch in India. 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). The BG Format provided to them should clearly specify the same.

## Annexure- C

### BANK GUARANTEE FOR PERFORMANCE SECURITY

Bank Guarantee No:

Date:

To

NAME  
& ADDRESSES OF THE BENEFICIARY

Dear Sirs,

In consideration of Bharat Heavy Electricals Limited (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** \_\_\_\_\_<sup>1</sup> through its Unit at...**BHEL BHOPAL**.....(name of the Unit) having awarded to ( Name of the Vendor / Contractor / Supplier) with its registered office at \_\_\_\_\_<sup>2</sup> hereinafter referred to as the ' Vendor / Contractor / Supplier ', which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns), a contract Ref No.....dated .....<sup>3</sup> valued at Rs.....<sup>4</sup> (Rupees -----)/FC.....(in words.....) for .....<sup>5</sup> (hereinafter called the 'Contract') and the Vendor / Contractor / Supplier having agreed to provide a Contract Performance BankGuarantee, equivalent to .....% (.... Percent) of the said value of the Contract to the Employer for the faithful performance of the Contract,

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 of Rs ----- <sup>6</sup> ( Rupees -----) without any demur, immediately on first 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 Vendor / Contractor / Supplier in any suit or proceeding pending before any Court or Tribunal, 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 thereunder and the Vendor / Contractor / Supplier 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/satisfactory completion of the performance guarantee period as per the terms of the Contract 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 with the Employer 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 Vendor / Contractor / Supplier 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 Vendor / Contractor / Supplier 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 Vendor / Contractor / Supplier or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said Vendor / Contractor / Supplier 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 Vendor / Contractor / Supplier and notwithstanding any security or other guarantee that the Employer may have in relation to the Vendor / Contractor / Supplier 's liabilities.

This Guarantee shall remain in force upto and including..... 7 and shall be extended from time to time for such period as may 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 Vendor / Contractor / Supplier 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 .....8we 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 document shall only be enforced or settled in the Courts at Bhopal.

The guarantor hereby declare that it has power to execute this guarantee and the executant has full powers to do so on its behalf under the proper authorities granted to him by the of the guarantor.

Further Bank (Name of the BANK) certifies that this guarantee is adequately stamped under the relevant State Stamp Act and any deficiency in execution of this Guarantee shall not have the effect of relieving us

Notwithstanding anything to the contrary contained hereinabove:

- a) The liability of the Bank under this Guarantee shall not exceed..... 6
  - b) This Guarantee shall be valid up to .....7
  - c) Unless the Bank is served a written claim or demand on or before ..... 8 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)

Date.....  
Place of Issue.....  
BANK E-MAIL ID:  
BANK PHONE NO.  
BANK FAX NO:

- 1 NAME AND ADDRESS OF EMPLOYER 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 CONTRACT VALUE
- 5 PROJECT/SUPPLY DETAILS
- 6 BG AMOUNT IN FIGURES AND WORDS

<sup>7</sup> *VALIDITY DATE*

<sup>8</sup> *DATE OF EXPIRY OF CLAIM PERIOD*

**Note:**

1. Units are advised that expiry of claim period may be kept 3-6 months after validity date. It may be ensured that the same is in line with the agreement/ contract entered with the Vendor.

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3. In line with the GCC, SCC or contractual terms, Unit may carry out minor modifications in the Standard BG Formats. If required, such modifications may be carried out after taking up appropriately with the Unit/Region's Law Deptt.

**4. 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's (BHEL's Consortium Bank) branch in India. 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). The BG Format provided to them should clearly specify the same.

## Annexure-D

### PROFORMA OF BANK GUARANTEE (in lieu of SECURITY DEPOSIT)

In consideration of Bharat Heavy Electricals Limited (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** \_\_\_\_\_ 1 through its Unit at...**BHEL BHOPAL**.....(name of the Unit) having agreed to exempt ( Name of the Vendor /Contractor / Vendors) with its registered office at \_\_\_\_\_ 2 (hereinafter called the said "Contractor" which term includes vendors), from demand under the terms and conditions of the Contract reference No. \_\_\_\_\_ dated \_\_\_\_\_ 3 valued at Rs. .... 4 ( Rupees -----)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. \_\_\_\_\_ 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)], being the Guarantor under this Guarantee, do hereby irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer, , an amount not exceeding Rs. \_\_\_\_\_ without any demur, immediately on 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(s) 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(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 during the period that would be taken for the performance of the said Contract 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 & the Employer certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said contractor(s) or acceptance of the final bill or discharge of this guarantee by the Employer, whichever is earlier. This guarantee shall initially remain in force upto and including \_\_\_\_\_ 6 and shall be extended from time to time for such period as may be desired by the Employer. Unless a demand or claim under this guarantee is made on us in writing on or before the \_\_\_\_\_ 7, we shall be discharged from all the liability under this guarantee thereafter.

We, \_\_\_\_\_ (indicate the name of the Bank) \_\_\_\_\_ further agree with the Employer 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(s) 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(s) 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 any reason of any such variation or extension being granted to the said contractor(s) or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said contractor(s) 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 and notwithstanding any security or other guarantee that the Employer may have in relation to the Contractor's liabilities.

This Guarantee shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Contractor 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.

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 Employer in writing.

Any claim or dispute arising under the terms of this document shall only be enforced or settled in the Courts at Bhopal.

The guarantor hereby declare that it has power to execute this guarantee and the executant has full powers to do so on its behalf under the proper authorities granted to him by the of the guarantor.

Further Bank (Name of the BANK) certifies that this guarantee is adequately stamped under the relevant State Stamp Act and any deficiency in execution of this Guarantee shall not have the effect of relieving us.

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)

Date.....

Place of Issue.....

BANK E-MAIL ID:

BANK PHONE NO.

BANK FAX NO:

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

**Note:**

- 1. Units are advised that expiry of claim period may be kept 3-6 months after validity date. It may be ensured that the same is in line with the agreement/ contract entered with the Vendor.
- 2. The BG should be on Non-Judicial Stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the State(s) where the BG is submitted or is to be acted upon or the rate prevailing in

the State where the BG was executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of Vendor/Contractor/Supplier /Bank issuing the guarantee.

3. In line with the GCC, SCC or contractual terms, Unit may carry out minor modifications in the Standard BG Formats. If required, such modifications may be carried out after taking up appropriately with the Unit/Region's Law Deptt.

#### **4. 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's (BHEL's Consortium Bank) branch in India. 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). The BG Format provided to them should clearly specify the same.

## Annexure-E

### BANK GUARANTEE FOR RELEASE OF AMOUNTS WITHHELD/LIQUIDATED DAMAGES AMOUNT

Bank Guarantee No:

Date:

To

NAME  
& ADDRESSES OF THE BENEFICIARY

Dear Sirs,

In consideration of the Bharat Heavy Electricals Limited (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 <sup>1</sup> through its Unit at BHEL BHOPAL ..... (name of the Unit) having awarded to ( Name of the Vendor / Contractor / Supplier) incorporated under the ..... having its registered office at                      <sup>2</sup> (hereinafter referred to as the 'Vendor/Contractor/Supplier', which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns), a contract Ref No. .... dated ..... <sup>3</sup> valued at Rs. .... ( Rupees -----) / FC. .... (in words. ....) for ..... <sup>4</sup> (hereinafter called the 'Contract')

And Whereas the Vendor/Contractor/Supplier' as per Contract should have completed the work/ supplies under the contract by ..... (date) And Whereas as per terms and conditions of the Contract, the Employer is entitled to levy Liquidated Damages (LD) for delays/ shortfall in performance and the Employer has withheld an amount of Rs ..... by way of LD as per the Contract.

Now, on the request of the Vendor/Contractor/Supplier', the Employer having agreed to release the amount of Rs. .... withheld from the Vendor's/Contractor's/Supplier's invoices as Liquidated damages under the terms and conditions of the Contract on production of a Bank Guarantee for Rs. .... (Rupees. .... only). <sup>5</sup>

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 a maximum amount of Rs ----- (Rupees -----) 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 Vendor/Contractor/Supplier' in any suit or proceeding pending before any Court or Tribunal 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 thereunder and the Vendor/Contractor/Supplier's 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/closure of the Contract/settlement of the issues regarding imposition of liquidated damages 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 with the Employer 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 Vendor/Contractor/Supplier' 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 Vendor/Contractor/Supplier' 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 Vendor/Contractor/Supplier' or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said Vendor/Contractor/Supplier' 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 Vendor/Contractor/Supplier' and notwithstanding any security or other guarantee that the Employer may have in relation to the Vendor/Contractor/Supplier's liabilities.

This Guarantee shall remain in force upto and including..... 6 and shall be extended from time to time for such period as may 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 Vendor/Contractor/Supplier' 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 .....7 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 document shall only be enforced or settled in the Courts at Bhopal.

The guarantor hereby declare that it has power to execute this guarantee and the executant has full powers to do so on its behalf under the proper authorities granted to him by the of the guarantor. Further Bank (Name of the BANK) certifies that this guarantee is adequately stamped under the relevant State Stamp Act and any deficiency in execution of this Guarantee shall not have the effect of relieving us

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)

Date.....

Place of Issue.....

BANK E-MAIL ID:

BANK PHONE NO.

BANK FAX NO:

- 1 NAME AND ADDRESS OF THE EMPLOYER 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 CONTRACT VALUE AND PROJECT/SUPPLY DETAILS
- 5 BG AMOUNT IN FIGURES AND WORDS
- 6 VALIDITY DATE
- 7 DATE OF EXPIRY OF CLAIM PERIOD

**Note:**

1. Units are advised that expiry of claim period may be kept 3-6 months after validity date. It may be ensured that the same is in line with the agreement/ contract entered with the Vendor.
2. The BG should be on Non-Judicial Stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the State(s) where the BG is submitted or is to be acted upon or the rate prevailing in the State where the BG was executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of Vendor/Contractor/Supplier /Bank issuing the guarantee.
3. In line with the GCC, SCC or contractual terms, Unit may carry out minor modifications in the Standard BG Formats. If required, such modifications may be carried out after taking up appropriately with the Unit/Region's Law Deptt.

**4. 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's (BHEL's Consortium Bank) branch in India. 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). The BG Format provided to them should clearly specify the same.

## Annexure-F

### PROFORMA OF BANK GUARANTEE FOR EARNEST MONEY

(Bank Guarantee No.....  
Date.....

To

(Employer's Name and Address)  
.....

Dear Sirs,

In accordance with the terms and conditions of Invitation for Bids/Notice Inviting Tender No.....1(Tender Conditions), M/s. .... having its registered office at **BHEL HOUSE Siri Fort, New Delhi-110049** .....2 (hereinafter referred to as the 'Tenderer'), is submitting its bid for the work of.....3 invited by .....4.(name of the Employer) through its Unit at...**BHEL BHOPAL**.....(

The Tender Conditions provide that the Tenderer shall pay a sum of Rs ..... as Earnest Money Deposit in the form therein mentioned. The form of payment of Earnest Money Deposit includes Bank Guarantee executed by a Scheduled Bank.

In lieu of the stipulations contained in the aforesaid Tender Conditions that an irrevocable and unconditional Bank Guarantee against Earnest Money Deposit for an amount of .....5 ..... is required to be submitted by the Tenderer as a condition precedent for participation in the said Tender and the Tenderer having approached us for giving the said Guarantee, we, the .....[Name & address of the Bank] ..... having our Registered Office at .....(hereinafter referred to as the Bank) being the Guarantor under this Guarantee, hereby irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer without any demur, merely on your first demand any sum or sums of Rs. 5 .....(in words Rupees.....) without any reservation, protest, and recourse and without the beneficiary 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 Vendor/Contractor/Vendors in any suit or proceeding pending before any Court or Tribunal, 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 Tenderer shall have no claim against us for making such payment.

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 Tender or to extend the time of submission of 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 Tenderer and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Tenderer or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said Tenderer 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 Tenderer and notwithstanding any security or other guarantee that the Employer may have in relation to the Tenderer's liabilities. This Guarantee shall be irrevocable and shall remain in force upto and including.....6 and shall be extended from time to time for such period as may be desired by the Employer.

This Guarantee shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Tenderer but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms hereof. However, unless a demand or claim under this Guarantee is made on us in writing on or before the ..... 7 we shall be discharged from all liabilities under this Guarantee.

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 document shall only be enforced or settled in the Courts at Bhopal. The guarantor hereby declare that it has power to execute this guarantee and the executant has full powers to do so on its behalf under the proper authorities granted to him by the of the guarantor.

Further Bank (Name of the BANK) certifies that this guarantee is adequately stamped under the relevant State Stamp Act and any deficiency in execution of this Guarantee shall not have the effect of relieving us 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)

Date.....  
Place of Issue.....  
BANK E-MAIL ID:  
BANK PHONE NO.  
BANK FAX NO:

- 1 Details of the Invitation to Bid/Notice Inviting Tender  
2 Name and Address of the Tenderer  
3 Details of the Work  
4 Name of the Employer  
5 BG Amount in words and Figures  
6 Validity Date  
7 Date of Expiry of Claim Period

**Note:**

1. Units are advised that expiry of claim period may be kept 3-6 months after validity date. It may be ensured that the same is in line with the agreement/ contract entered with the Vendor.
2. The BG should be on Non-Judicial Stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the State(s) where the BG is submitted or is to be acted upon or the rate prevailing in the State where the BG was executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of Vendor/Contractor/Supplier /Bank issuing the guarantee.
3. In line with the GCC, SCC or contractual terms, Unit may carry out minor modifications in the Standard BG Formats. If required, such modifications may be carried out after taking up appropriately with the Unit/Region's Law Deptt.

**4. 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's (BHEL's Consortium Bank) branch in India. 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). The BG Format provided to them should clearly specify the same.

**Notwithstanding clause for BG extension.**

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.