

BANK GUARANTEE FOR PERFORMANCE

To:

Bharat Heavy Electricals Limited,
Electroproceldains Division
Prof C N R Rao Circle
Opp. IISC, Malleswaram
BANGALORE 560012.

Bank Guarantee No :
Date of Issue :
Amount of Guarantee :
Guarantee cover from :
Last Date of Lodgement of Claim :

1. In consideration of Bharat Heavy Electricals Limited, having its Registered Office at Bangalore, India (hereinafter called "The Purchaser", which expression shall unless repugnant to the subject or context include its administrators, successors and assigns) having entered into a contract vide Purchase Order No.....

Dated..... . With M/s.....having its registered Office at -----
----- (hereinafter referred to as "The Supplier" which expression shall unless repugnant to the administrators, executors and permitted assigns) for the supply of "xxxxxxxxxxxxxxxxxxxxxx" (which contract is hereinafter referred to as the "The Contract") and the supplier, having agreed to provide a Guarantee for Performance of the Contract in the Form of Bank Guarantee, we The..... (hereinafter called to as "The Bank" which expression shall unless repugnant to the context or meaning thereof include its successors, administrators, executors and assigns) do hereby unconditionally and irrevocably guarantee and undertake to indemnify and keep indemnified the purchaser to extent of Rs.....(

) at any time against any loss, damage, costs, charges and expenses including due to faulty design, faulty materials and bad workmanship caused to or suffered by or that may be caused to or suffered by "the purchaser" on its mere written demand and without any demur, reservations, recourse, contest or protest and without any reference to "the supplier" to the extent aforesaid.

2. we "the said bank", further agree that "the purchaser" shall be the sole judge of and as to whether "the said supplier" has committed any breach or breaches of any of the terms and conditions of the contract and the extent of loss, damage, costs and expenses caused to or suffered by "the purchaser " on account thereof and the decision of the purchaser that the said supplier has committed such breach or breaches and as to the amount or amounts of loss, damages, costs, charges and expenses including due to faulty design, faulty materials and bad workmanship caused to or suffered by or that may be caused to or suffered by "the purchaser" from to time shall be final and binding on us notwithstanding any difference between the PURCHASER and the SUPPLIER or any dispute pending before any court, tribunal application or any other authority to form.

3. We "the said bank" further agree that this guarantee shall come into force upon the. Effective Date as defined in bank performance guarantee clause of contract and shall remain in force for a period of 12 months from the date of commissioning or 18 months from the date of last dispatch whichever is earlier unless a notice or claim under this guarantee has been served on "the said Bank" before the expiry of said period of validity i.e..... inclusive of claim period in which case this guarantee shall be enforceable against "the said Bank".

4. "The purchaser" shall have the fullest liberty without affecting in any way the liability of "the said Bank" under this guarantee from time to time to vary any of the terms and conditions of the said contract or to extend time for Performance thereof by "the said supplier" or to postpone for any time and from time to time any of the powers exercisable by it against "the said supplier" and either to enforce or forbear from enforcing any of the terms and conditions governing "the said contract" or securities available to the purchaser and "the said bank" shall not be released from its liabilities under these presents by any exercise by "the purchaser" of the liberty with reference to the matter aforesaid or by reason of time being given to the said purchaser or any other forbearance act or omission on the part of the purchaser or any indulgence by the purchaser to "the said supplier" or of any other matters or thing whatsoever under the law relating the securities would but this provision have the effect of so releasing "the said Bank" from its liability hereunder.

5. Our obligation to pay hereunder is as principal debtor and not as surety and it shall not be necessary for "to proceed against "the said supplier "before proceeding against" the Bank and the guarantee herein contained shall be enforceable against "the Bank" notwithstanding any other security which "the purchaser" may have obtained or obtain from "the supplier" at the time when proceedings are taken against "the said Bank" in any manner whatsoever.

6. Unless extended, this guarantee shall remain in force till provided however, that should it be necessary to extend we shall extend forthwith the period of this guarantee on your request till such time as may be required by you.

7. We "the said Bank" further undertake not revoke the guarantee during its currency except with the previous consent of "the purchaser" in writing and agree that any change in the constitution of "the said supplier" or the bank shall not discharge our liability hereunder in any manner whatsoever.

8. Our liability under this guarantee is limited to Rs.....(Rupees

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9. We have power to issue this guarantee in your favour and the undersigned who are executing this guarantee have the necessary power to do so on behalf of the Bank under the

10. This guarantee shall come into force immediately on release of payment of RS.....(Rupees) by the purchaser to the supplier.

"Notwithstanding anything contained herein:

a) Our liability under this Bank guarantee shall not exceed Rs.....(Rupees).

b) This bank guarantee shall be valid only up to And

c) We are liable to pay the guarantee amount or any part thereof under this Bank guarantee only and only if you server us a written claim or demand on or before

Place:

Dated:

Constituted Attorney