

**PROFORMA FOR BANK GUARANTEE FOR CONTRACT PERFORMANCE**

**SECURITY**

( To be stamped in accordance with Stamp Act, if any of the Country of the issuing Bank)

Ref : .....

Bank Guarantee No. ....

Date : .....



To

M/s Bharat Heavy Electricals Limited  
Industrial Systems Group  
Prof. CNR Rao Circle  
IISc post, Malleswaram  
Bangalore – 560 012

Dear Sirs,

In consideration of the Bharat Heavy Electricals Limited, (hereinafter referred to as the 'Owner' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators and assigns) having awarded to M/s ..... with its Registered/ Head Office at ..... (hereinafter referred to as the 'Contractor', which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a contract by issue of Owner's letter of award No. .... Dated ..... and the same having been unequivocally accepted by the contractor, resulting in to a contract bearing No. ... dated ..... valued at ..... for .... and the contractor having agreed to provide a contract performance guarantee for the faithful performance of the entire contract equivalent to ..... \* ..... % ) of the said value of the contract to the owner.

We ..... having its (Name & address of the bank) Head Office at ..... (hereinafter referred to as the 'Bank' which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the Owner, on demand any and all monies payable by the contractor to the extent of ..... \* ..... as aforesaid at any time up to ..... @ ..... \*(days/ months/ years) without any demur, reservation, context, recourse or protect and/or without any reference to the contractor. Any such demand made by the owner on the bank shall be conclusive and binding notwithstanding any difference between the owner and the contractor or any dispute pending before any court, tribunal, arbitrator or any other authority. The bank undertakes not to revoke this guarantee during its currency without previous consent of the owner and further agrees that the guarantee herein contained shall continue to be enforceable till the owner discharges this guarantee.

 <b>ISG BANGALORE</b>	<p align="center"><b>PROJECT:</b>  <b>2 x 250 MW TPP EXPANSION UNIT NO. 3 &amp; 4, AT</b>  <b>SIKKA – DIST JAM NAGAR.</b></p>							
<b>CHP- Extension of coal handling works</b>	<b>BG FORMAT</b>	<b>VOL-1, SEC-3</b>						
<p>The owner shall have the fullest liberty, without affecting in any way the liability of the bank under this guarantee, from time to time to extend the time for performance of the contract by the contractor. The owner shall have the fullest liberty without affecting the guarantee, to postpone from time to time the exercise of any powers vested in them or of any powers vested in them or of any right which they might have against the contractor, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the contract between the owner and the contractor or any other course or remedy or security available to the owner. The bank shall not be released of its obligations under these presents by any exercise by the owner of its liberty with reference to the matters aforesaid or any of them or by reason of any other act or forbearance or other acts of omission or commission on the part of the owner or any other indulgence shown by the owner or by any other matter or thing whatsoever which under law would, but for this provision have the effect of relieving the bank.</p> <p>The bank also agrees that the owner 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 the owner may have in relation to the contractor's liabilities.</p> <p>Notwithstanding anything contained hereinabove our liability under this guarantee is restricted to ..... * ..... and it shall remain in force up to and including ..... @ ..... and shall be extended from time to time for such period (not exceeding one year), as may be desired by M/s ..... on whose behalf this guarantee has been given. Dated this ..... day of ..... 200 ..... at .....</p> <p><b>WITNESS</b></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">(signature) .....</td> <td style="width: 50%;">(signature) .....</td> </tr> <tr> <td>(Name).....</td> <td>(Name) .....</td> </tr> <tr> <td>(Official address .....</td> <td>(Designation with stamp).....</td> </tr> </table> <p align="right">Attorney as per power Of Attorney No. ....</p>			(signature) .....	(signature) .....	(Name).....	(Name) .....	(Official address .....	(Designation with stamp).....
(signature) .....	(signature) .....							
(Name).....	(Name) .....							
(Official address .....	(Designation with stamp).....							
<b>DATE:22-12-2010</b>	<b>ENQUIRY No.88/10/6040/SV</b>	<b>REV. R0      PAGE 2 of 3</b>						

**CHP- Extension of coal  
handling works**

BG FORMAT

VOL-1, SEC-3

Dated .....

**NOTE :**

1. Strike, whichever is not applicable.
2. In case of bank guarantee issued by foreign bank, the same shall be confirmed by any nationalized Bank in India.
3. The stamp papers of appropriate value shall be purchased in the name of guarantee issued Bank.
4. The bidder shall take adequate care for complying to the requirements associated with acceptance of BG by BHEL as per the format below.

\* This sum shall be ten percent (10%) of the contract price,.

@ The date will be sixty (60) days after the end of the defects liability period as specified in the contract.