

PROFORMA FOR PERFORMANCE BANK GUARANTEE

(To be issued on appropriate valid non-judicial stamp paper)

This Deed of Guarantee made this Day of 200 by Bank Ltd (hereinafter called the 'Bank', in favour of Bharat Heavy Electricals Limited, having its Registered Office at BHEL House, Siri Fort, New Delhi — 110 049 (hereinafter called the 'Purchaser') throughunit.

Thereas M/S (hereinafter called the Vendor) has entered into a Contract arising out of the Purchase Order No addressed by the Purchaser to the Vendor, for (scope of supply & services) (hereinafter called the 'Agreement').

And whereas the said Agreement provides that the Vendor shall submit a Bank Guarantee for a sum of Rs..... (Rupees..... only) towards Performance Guarantee to be made in the form and manner therein specified.

And whereas the Vendor..... have approached (Bank) and at their request and in consideration of the arrangement arrived at between the said Vendor and the said Bank, the said Bank has agreed to give such guarantee as hereinafter mentioned to the aforesaid Purchaser.

Now, therefore, these presents witness that we (Bank) by the hand of Shri its lawfully and duly constituted attorney do hereby undertake to pay the aforesaid Purchaser a sum of Rs (Rupees) by virtue of this Guarantee without any demur, merely on a demand from the Purchaser and to keep the company indemnified to the extent of Rs....., by virtue of this guarantee against any loss or damage caused to or would be caused to or suffered by the Purchaser by reason of breach by the said Vendor of any of the terms or conditions contained in the said Agreement or by reason of the Vendor's failure to perform the said Agreement and for the payment of any money payable by the said Vendor to the Purchaser under the terms and conditions of the said Agreement (the decision regarding the breach, loss, damage or payment due being solely at the discretion of the Purchaser).

We further undertake to pay the Purchaser any money so demanded notwithstanding any dispute or disputes raised by the Vendor, any suit or proceeding pending before any court or Tribunal relating thereto, our liability under these presents being absolute and unequivocal. The aforesaid guarantee will remain in force and we shall be liable under the same, irrespective of any concession for the time being granted by the said Purchaser to the Vendor in or for fulfilling the said Agreement and the guarantee will remain in full force irrespective of any change of terms, conditions or stipulations or any variation in the terms of the said Agreement irrespective of whether notice of such change and/or variation is given to us or not and claim to receive such notice of any change and or/variation is given to us or not.

The guarantee herein contained shall not be determined or affected by the liquidation or winding up or insolvency or change in the constitution of the Vendor but shall in all respects and for all purposes be binding and operative until all payments of all moneys due or that may become due to the said Vendor in respect of any liability or obligation of the Vendor under the said Agreement.

We the said Bank further agree that the guarantee hereinafter contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the Purchaser under or by virtue of the said Agreement have been fully paid and the Agreement have been fully and properly carried out by the Vendor and accordingly discharges the guarantee.

Unless a demand or claim under this guarantee is made on us in writing on or before the (date — end of guarantee period plus two months) we shall be discharged from all the liability under this guarantee thereafter. But where such claim or demand has been preferred by the Company with the Bank before the expiry of the said date, the claim shall be enforceable notwithstanding the fact that the said enforcement is effected after the said date.

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

The bank undertakes not to revoke this guarantee during its currency except with the previous consent of the Company in writing.

The Bank hereby declares that it has power to issue this guarantee under the Bank's Memorandum and Articles of Association and the undersigned has full powers to do so on its behalf under the Power of Attorney dated..... granted to him by the proper authorities of the bank

Dated The Day of

Attorney (signature of the person duly authorised to sign on behalf of the bank)

Witness