



BHARAT HEAVY ELECTRICALS LIMITED
TIRUCHIRAPPALLI
OUTSOURCING
TECHNO COMMERCIAL BID – NIT: 3001900002

SECTION – VI

BANK GAURANTEE FORMAT

(TO BE STAMPED IN ACCODANCE WITH STAMP ACT)

BANK GUARANTEE FOR SECURITY DEPOSIT

1. THIS DEED OF GUARANTEE made this..... day of (month).....(year)
By (Bank 's full address) in favour of M/s Bharat Heavy Electricals Limited,
Unit: Thiruverumbur, Tiruchirapalli 620 014, having its Registered Head Office at BHEL House,
Siri Fort, New Delhi 110049.
2. WHEREAS M/s Bharat Heavy Electricals Limited (hereinafter called the "COMPANY")
have placed work order(s) which are pending as on date and also proposes to place further
work order(s)) (hereinafter called the "CONTRACT") up to..... (Date) for fabrications/ for
machining/supply of pressure and non – pressure parts with M/s..... (CONTRACTOR'S
Full address) (hereinafter called the "CONTRACTOR /SUPPLIER") and as per the terms of the
contract, the company has issued /proposes to issue raw materials to the contractor to
enable them to complete the work.
3. AND WHEREAS one of the conditions for placing such contract(s) is that the Contractor/
Supplier shall provide the Company a Bank Guarantee for Rs.in lieu of cash and
towards the security deposit for the raw materials supplied and to be supplied, in pursuance
of the contract(s) already placed but pending as on date and the contract(s) to be placed from
time to time up to (Date) and also for the satisfactory performance and completion of
work/supply as per the terms and conditions of the said contract(s).
4. AND WHEREAS the Contractor/ Supplier..... approached the
(Bank) and at their request and in consideration of the arrangement arrived at between the
said Contractor / Supplier and the said Bank,
5. We(indicate the name of the bank with full address), do hereby undertake to
pay the amounts due and payable under this guarantee without any demur, merely on a
demand from the Company stating that the amount claimed is due by way of loss or damage
caused to or would be caused to or suffered by the Company by reason of breach by the said
Contractor(s) of any of the terms and conditions contained in the said Agreement or by the
reason of the contractor(s) 'failure to perform' the said agreement. 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. _____.



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6. We..... (Bank) , further assure that the Contractor/ Supplier shall be responsible for the safe custody and protection of the raw materials that have been supplied/and to be supplied by BHEL under the contract(s) already placed but pending as on date and to be placed upto(date) against all risks till they are delivered back as finished products to BHEL as per the terms and conditions of the Contract or as they may direct and until such time, the Contractor/ Supplier shall hold the raw materials in trust for BHEL and shall not alienate the same in any manner whatsoever by way of sale or mortgage or charge or hypothecation etc. in favour of any one else including the bank herein or any other banks /financial institutions etc.

The raw materials shall always remain the property of BHEL and the Bank shall indemnify BHEL against the loss, damage or deterioration whatsoever in respect of the said raw materials while in the possession of the Contractor/Supplier. The raw materials of BHEL shall always be open for inspection by any Officer authorized by BHEL. The liability under this Guarantee is a continuing one covering all contracts already placed but pending as on date and to be placed up to.....(date) and should any loss or damage occur on account of the breach of the terms and conditions of the said contract(s) by the Contractor/ Supplier or should any surplus raw materials become due to the Company under the Contract(s) and remains undelivered by the Company, the Bank shall indemnify the Company for the loss /damage for the value of raw materials for Rs...../- (RupeesOnly) and this is without prejudice to any other remedies which may be otherwise available to the Company by deduction from any sum due or any sum which at any time hereinafter become due from the Contractor/ Supplier under this or any other Contract(s).

7. We undertake to pay unconditionally to the Company any money so demanded notwithstanding any dispute(s) raised by the Contractor in any suit, or proceedings pending before any Court or Tribunal or Arbitration or before any other authority relating thereto our liability under this present being absolute and unequivocal. The payment under this guarantee would not wait till the disputes have been decided by any Court or Tribunal or in the arbitration proceedings or by any other authority. The payment so made by us under this Bond shall be a valid discharge of liability for payment thereunder and the Contractor(s) shall have no claim against us for making such payment.
8. We.....(indicate the name of 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 Agreement and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said Agreement have been fully paid and its claims satisfied or discharged or till _____Office / Department/ Division of the Company certifies that the terms and conditions of the said Agreement have been fully and properly carried out by the said Contractor(s) and accordingly discharges this guarantee.



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9. (i) Unless a demand or claim under this guarantee is made on us in writing on or before the _____ 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.
- (ii) For the purpose of this clause, any letter making demand on the Bank by M/s. BHEL dispatched by Registered Post with Ack. due or by Telegram or by any Electronic media addressed to the above mentioned address of the Bank shall be deemed to be the claim / demand in writing referred to above irrespective of the fact as to whether and when the said letter reaches the Bank, as also any letter containing the said demand or claim is lodged with the bank personally.
10. We(indicate the name of Bank), further agree with the company that the Company 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 agreement 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 Company against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement 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 company or any indulgence by the company to the said Contractor(s) or by any such matter or thing whatsoever which under the law relating would but for this provision have effect of not so relieving us.
11. This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s).
12. It shall not be necessary for the company to proceed against the contractor before proceeding against the guarantor-bank and the guarantee herein contained shall be enforceable against them notwithstanding any security, which the company may have obtained or obtain from the Contractor shall, at the time when proceedings are taken against the guarantor hereunder be outstanding or unrealized.
13. Any claim or dispute arising under the terms of this document shall only be enforced or settled in the Courts at Tiruchirappalli.
14. 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/them by the guarantor.



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15. We (indicate the name of Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the company in writing.

In witness whereof we....., (indicate the name of Bank) have hereunto setout Bank Seal
the _____ day _____ month 200

Bank Phone No.

Bank e-mail ID

Bank FAX No