

Annexure #33 Advance Payment Bank Guarantee

(To be executed on Non-Judicial Stamp Paper of appropriate value) BANK GUARANTEE FOR INTEREST BEARING REFUNDABLE ADVANCE

This deed of Guarantee made this _____ day of _____ two thousand _____ by < **Name and Address of Bank**> hereinafter called the "The Guarantor" (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) in favour of M/S Bharat Heavy Electricals Limited a Company incorporated under the Companies Act, 1956, having its registered office at BHEL House, Siri Fort, New Delhi - 110049 through its unit at Bharat Heavy Electricals Limited, Heavy Power Equipment Plant, Ramachandrapuram, Hyderabad (A.P.) – 502 032, hereinafter called "The Company" (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns).

WHEREAS M/s. _____ (hereinafter referred to as the Contractor) have entered into a Contract arising out of Letter of Intent no. _____ dtd _____ (hereinafter referred to as "the Contract") for the < Name of work > with the Company.

AND WHEREAS the Contract inter-alia provides that the Company will pay to the Contractor interest bearing advance of Rs. _____ (Rupees _____ only) on certain terms and conditions specified in the Contract subject to the Contractor furnishing a Bank Guarantee for Rs. _____ (Rupees _____ only) in favor of the Company.

AND WHEREAS the Company has agreed to accept a Bank Guarantee from a Bank to cover the said advance.

AND WHEREAS the Contractor has approached the Guarantor and in consideration of the arrangement arrived at between the Contractor and the Guarantor, the Guarantor has agreed to give the Guarantee as hereinafter mentioned in favor of the Company.

NOW THIS DEED WITNESSES AS FOLLOWS:-

1. In consideration of the Company having agreed to advance a sum of Rs. _____ (Rupees _____ only) to the Contractor, the Guarantor do hereby guarantee the due recovery by the Company of the said advance with interest thereon as provided according to the terms and conditions of the Contract. If the said Contractor fails to utilize the said advance for the purpose of the Contract and /or the said advance together with interest as aforesaid is not fully recovered by the Company the Guarantor do hereby unconditionally and irrevocably undertake to pay to the Company without demur and merely on a demand, to the extent of the said sum of Rs. _____ (Rupees _____ only) any claim made by the Company on them for the loss or damage caused to or suffered by the Company by reasons of the Company not being able to recover in full the advance with interest as aforesaid.
2. The decision of the Company whether the Contractor has failed to utilize the said advance or any part thereof for the purpose of the Contract and / or as to the extent of loss or damage caused to or suffered by the Company by reason of the Company not being able to recover in full the said sum of Rs. _____ with interest if any shall be final and binding

on the Guarantor, irrespective of the fact whether the Contractor admits or denies the default or questions the correctness of any demand made by the Company in any Court Tribunal or Arbitration proceedings or before any other Authority.

3. The Company shall have the fullest liberty without affecting in any way the liability of the Guarantor under this Guarantee, from time to time to vary any of the terms and conditions of the Contract or extend time of performance by the Contractor or to postpone for any time and from time to time any of the powers exercisable by it against the Contractor and either enforce or forebear from enforcing any of the terms and conditions governing the Contract or securities available to the Company and the Guarantor shall not be released from its liability under these presents by any exercise by the Company of the liberty with reference to the matters aforesaid or by reasons of time being given to the Contractor or any other forbearance, act or commission on the part of the Company or any indulgence by the Company to the Contractor or of any other matter or thing whatsoever which under the law relating to sureties would, but for this provision have the effect of so releasing the Guarantor from its liability under this guarantee.
4. The Guarantor further agrees that the Guarantee herein contained shall remain in full force and effect during the period till the Company discharges this Guarantee, subject to however, that the Company shall have no claim under this Guarantee after _____ i.e. (the present date of validity of Bank Guarantee unless the date of validity of this Bank Guarantee is further extended from time to time, as the case may be) unless a notice of the claim under this Guarantee has been served on the Guarantor before the expiry of the said period in which case the same shall be enforceable against the Guarantor notwithstanding the fact that the same is enforced after the expiry of the said period.
5. The Guarantor undertakes not to revoke this Guarantee during the period it is in force except with the previous consent of the Company in writing and agrees that any liquidation or winding up or insolvency or dissolution or any change in the constitution of the Contractor or the Guarantor shall not discharge the Guarantor's liability hereunder.
6. It shall not be necessary for the Company to proceed against the Contractor before proceeding against the Guarantor 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.
7. Notwithstanding anything contained herein before, our liability under the Guarantee is restricted to Rs. _____ (Rupees _____). Our guarantee shall remain in force until _____, i.e. the present date of validity of Bank Guarantee unless the date of validity of this Bank Guarantee is further extended from time to time. Unless a claim or demand under this guarantee is made against us on or before-----, we shall be discharged from our liabilities under this Guarantee thereafter.
8. Any claim or dispute arising under the terms of this document shall only be enforced or settled in the courts at Hyderabad only.
9. The Guarantor hereby declares that it has power to execute this Guarantee under its Memorandum and Articles of Association and the executant has full powers to do so on its behalf under the Power of Attorney dated _____ (To be incorporated by the Bank) granted to him by the proper authorities of the Guarantor.

IN WITNESS whereof the _____ (Bank) has hereunto set and subscribed its hand the day, month and year first, above written.

(Name of the Bank)

Signed for and on behalf of the Bank

(Designation of the Authorized Person Signing the Guarantee)

(Signatory No.-----)

DATED:

SEAL

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Notes :

1. The BG shall be executed on non-judicial stamp papers of adequate value procured in the name of the Bank in the State where the Bank is located.
2. The BG is required to be sent by the executing Bank directly to BHEL at the address where tender is submitted / accepted, under sealed cover.