



PUR 010

BHARAT HEAVY ELECTRICALS LTD.

PIPING CENTRE, CHENNAI - 17.

BANK GUARANTEE

In accordance of M/s Bharat Heavy Electricals Limited (A Government of India Undertaking a company incorporated under the companies Act, 1956 having its Registered office at "BHEL House", SIRI FORT, New Delhi 110 049") through its Piping Centre, 80, G.N. Road, T. Nagar, Chennai - 17. (hereinafter called the company)' having agreed to exempt (hereinafter called the said contractor' which term includes suppliers' for the purpose of this Bond) from the demand under the terms and conditions of the Agreement dt made between and for (hereinafter called the said agreement') for Security Deposit for the due fulfillment by the said Contractor of the terms and conditions contained in the said Agreement on production of a Bank Guarantee for Rs..... (Rupees Only) We (indicate the name of the Bank), (hereinafter referred to as the Bank') at the request of Contractor (s) do hereby undertake to pay to the company an amount not exceeding Rs. against any loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of any/breach by the said Contractor (s) of any or the terms and conditions contained in the said Agreement.

2. 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 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 gurarant shall be restricted to an amount not exceeding Rs.

3. We undertake to pay unconditionally to the Company any money so demanded not with standing 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 so made by us under this Bond shall be a valid discharge pf liability for payment thereunder and the Contactors (s) shall have no claim against us for making such payment. The payment under this guarantee would not wait till the wait till the disputes have been decided by any Court or Tribunal or in the arbiration proceedings or by any other authority.

4. 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 discharge or till office/Department/Division of the Company certifies that the terms and conditions of the said Agreement have been fully and properly carried cut by the said Contractor (s) and accordingly discharges this guarantee.

5. (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 M/s. BHEL despatched by the Registered Post with Ack Due or by telegram addressed to the above mentioned address of the Bank shall be deemed to the claim/deemed in writing referred to above in respect 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.

6. We, (indicate the name of Bank) further agree with company that the Company shall have the fullest liberty without our consent and without affecting in any manner our obligation 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 or 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 the provision have effect of so relieving us.

7. This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor (s).

8. 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 proceeding are taken against the guarantor hereunder be outstanding or unrealised.

9. Any claim or dispute arising under the terms of this document shall only be enforced or settled in the Courts at Tiruchirappalli.

10. 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 Power of Attorney dated granted to him by the proper authorities of the guarantor.

11. 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 set out our Bank Seal the day month