

**BANK GUARANTEE FOR CONTRACT EXECUTION**

Bank Guarantee No:

Date:

**To**

Bharat Heavy Electricals Limited,  
HPEP, Ramachandra Puram,  
Hyderabad - 502032,  
Telangana,  
INDIA.

Dear Sirs,

In consideration of the **Bharat Heavy Electricals Limited** **1** (hereinafter referred to as the 'Employer' which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) incorporated under the Companies Act, 1956 and having its registered office at "**BHEL House**", **SIRI Fort, New Delhi- 110049** through its Unit at **Heavy Power Equipment Plant, Ramachandra Puram, Hyderabad-502032, Telangana, INDIA** having awarded to \_\_\_\_\_ **2** having its registered office at \_\_\_\_\_ herein after referred to as the 'Contractor/Supplier', which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns), a contract Ref No. / **PO No** \_\_\_\_\_ dated \_\_\_\_\_ **3.** Valued at Rs \_\_\_\_\_ **4** (Rupees (In words). \_\_\_\_\_) for \_\_\_\_\_ **5** (hereinafter called the 'Contract') and the Contractor having agreed to provide a Contract Execution Guarantee equivalent to **2% (Two Percent)** of the said value of the Contract to the Employer for the faithful performance of the Contract.

We \_\_\_\_\_ (hereinafter referred to as the Bank), having registered/Head Office at \_\_\_\_\_ and inter alia a branch at \_\_\_\_\_ being the Guarantor under this Guarantee, hereby, irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer a maximum amount Rs \_\_\_\_\_ (**Rupees** \_\_\_\_\_) without any demur, immediately on a demand from the Employer. 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. \_\_\_\_\_ (Rupees \_\_\_\_\_)**.

We undertake to pay to the Employer any money so demanded notwithstanding any dispute or disputes raised by the Contractor/Supplier in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment thereunder and the contractors/supplier shall have no claim against us for making such payment.

We the \_\_\_\_\_ bank further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the Contract Execution of the said Contract and that it shall continue to be enforceable till all the dues of the Employer under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged.

We \_\_\_\_\_ BANK further agree with the Employer that the Employer 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 Contract or to extend time of Contract Execution by the said Contractor/Supplier from time to time or to postpone for any time or from time to time any of the powers exercisable by the Employer against the said Contractor/Supplier 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 reason of any such variation, or extension being granted to the said Contractor/Supplier or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said Contractor/Supplier or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

The Bank also agrees that the Employer 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 that the Employer may have in relation to the Contractor's liabilities.

This Guarantee shall remain in force up to \_\_\_\_\_ 6 with a validity period of \_\_\_ months & claim period of 3 months and shall be extended from time to time for such period as may be desired by Employer.

This Guarantee shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Contractor/Supplier but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms thereof.

Unless a demand or claim under this guarantee is made on us in writing on or before the \_\_\_\_\_ 7 we shall be discharged from all liabilities under this guarantee thereafter.

We \_\_\_\_\_ BANK, lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Employer in writing.

Notwithstanding anything to the contrary contained hereinabove:

- a) The liability of the Bank under this Guarantee shall not exceed Rs \_\_\_\_\_ (Rupees \_\_\_\_\_ Only) 8
- b) This Guarantee shall be valid up to \_\_\_\_\_ 9
- c) Unless the Bank is served a written claim or demand on or before \_\_\_\_\_ 10 all rights under this guarantee shall be forfeited and the Bank shall be relieved and discharged from all liabilities under this guarantee irrespective of whether or not the original bank guarantee is returned to the Bank.

We \_\_\_\_\_ Bank, have power to issue this Guarantee under law and the undersigned as a duly authorized person has full powers to sign this Guarantee on behalf of the Bank.

For and on behalf of  
(Name of the Bank)

Dtd :

Place of Issue:

FOR YOUR REFERENCE TO FILL THE DETAILS ACCORDINGLY:

1. NAME AND ADDRESS OF EMPLOYER i.e., Bharat Heavy Electricals Limited.
2. NAME AND ADDRESS OF VENDOR/CONTRACTOR/SUPPLIER
3. DETAILS ABOUT THE NOTICE OF AWARD/CONTRACT REFERENCE
4. BG AMOUNT IN FIGURES AND WORDS
5. PROJECT/SUPPLY DETAILS
6. VALIDITY DATE with a validity of 3 months claim period.
7. DATE OF EXPIRY OF CLAIM PERIOD
8. BG AMOUNT IN FIGURES AND WORDS
9. VALIDITY DATE
10. DATE OF EXPIRY OF CLAIM PERIOD

*Ple note: The Validity period wrt our conditions applicable for the Supply / Erection & condition.*