

FORMAT OF BANK GUARANTEE FOR FAITHFUL PERFORMANCE OF CONTRACT

(Covering Delivery obligations)

NOTE:

1. This guarantee should be furnished by a Nationalised Bank / Scheduled Bank, except The Bank of China as per the following format.
2. This bank guarantee should be furnished on stamp paper value as per Stamp Act. (at present not less than Rs. 80./-)
3. The stamp paper should have been purchased either in the Name of the Bank executing the Guarantee or in the name of NLC.
4. This Bank Guarantee should be furnished within 60 days from the date of purchase order or the delivery period prescribed in the purchase order whichever is earlier.
5. In the case of foreign seller, the bank guarantee may be furnished by an international reputed bank having their branch in India.
6. This Bank Guarantee should be directly sent to the Purchaser by the issuing Bank under RPAD.

To

THE HEAD OF UNIT,
MATERIALS MANAGEMENT COMPLEX,
NEYVELI LIGNITE CORPORATION LTD,
NEYVELI-607 807, CUDDALORE DISTRICT,
TAMILNADU, INDIA.

Dear Sirs,

Pursuant to a purchase order No.....with M/s.
concluded with you on(P.O. date) the aforementioned firm undertook to deliver
the following:

S.No.	Description	Qty.	Value

We, the undersigned (Name of the Bank and Address)having our Head Office at (Local Address) herewith assume the guarantee for the fulfillment of the purchase order obligations, in accordance with the stipulations of the above mentioned purchase order entered into by and between you as buyer and M/s. as Seller, to the amount of Rs.(Rupeesonly) viz., 10% of the purchase order value and we irrevocably undertake to pay you upon your first demand, without any demur and without referring to any other source, the above sum or part thereof provided you advise us that M/s. have failed to fulfill the terms and conditions of purchase order including the delivery obligations stipulated therein. We also declare that any such demand made on us by you shall be conclusive and binding on us, notwithstanding any difference or dispute between yourself and the seller.

The PURCHASER shall have the fullest liberty without affecting, in any way the liability of the bank under this guarantee, from time to time, to extend the time of performance by the SELLER. The bank shall not be released from its liabilities under these presents by any exercise of the PURCHASER of the liberty with reference to the matter aforesaid.

The PURCHASER shall have the fullest liberty, without affecting this guarantee to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the SELLER and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants contained or implied in the purchase order between the PURCHASER and the SELLER or any other course of remedy or security available to the PURCHASER and the bank shall not be released of its obligations/liabilities under these presents by any exercise by the PURCHASER of his liberty with reference to the matters aforesaid or any of them or by reasons of any other act or forbearance or other acts of omission or commission on the part of PURCHASER or any other indulgence shown by the Purchaser or by any other matter or thing whatsoever which under law would, but for this provision, have the effect of relieving the Bank Guarantee. The bank further undertakes not to revoke this guarantee during its currency without the previous consent of the PURCHASER.

The PURCHASER shall have the fullest liberty to lodge their claims for encashments of the guaranteed sum in full or in part, in the manner suitable to them. However payment made for a sum lesser than the guaranteed amount shall not relieve or discharge the bank from their obligations guaranteed hereunder till the purchase order obligations are fully performed by the SELLER or the Bank Guarantee is discharged by the PURCHASER as the case may be and the Bank Guarantee shall continue to be in force till such time.

The bank further agrees that the decision of the PURCHASER as to the failure on the part of the SELLER to fulfill their obligations and/or as to the amount payable by the bank to the PURCHASER hereunder shall be final, conclusive and binding on the bank.

The bank also agrees that the purchaser shall be entitled at his option to enforce this guarantee against the bank as a principal debtor, in the first instance not withstanding any other security or guarantee that it may have, relating to the SELLER'S liabilities.

This guarantee will not be discharged due to the change in the constitution of the bank or the SELLER (S).

In accordance with the stipulation of the clause of the instructions appended to the purchase order, this guarantee will become invalid after completion of supplies or as soon as this letter of guarantee has been returned to us, at the latest, however, on..... (here mention the period or due date) unless a claim has been lodged against us under our guarantee until that date. This Guarantee shall be extended from time to time for such period as may be desired by M/s..... on whose behalf this guarantee has been given.

In any case, our liability under this guarantee of performance does not exceed
Rs.

This guarantee deed must be returned to us upon expiration of the period of guarantee.

Signature

Name

(in Block letters)

Designation

(Staff Code No.).....

Official address:

(Bank's common Seal)

Attorney as per power of Attorney No.

Date:

WITNESS:

1.....

(Signature with Name, Designation & Address)

2.....

(Signature with Name, Designation & Address)

Note : This Bank Guarantee should be directly sent to the Purchaser by the issuing Bank under RPAD.