

(To be stamped in accordance with Stamp Act)  
**(BANK GUARANTEE FOR SECURING ADVANCE)**  
(Delete the worlds not applicable)

This Deed of Guarantee made this ..... day of ..... between .....(Bank hereinafter called "the Guarantor" (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) of the ONE PART and 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 this Unit/division at (indicate name of unit / division) hereinafter called "The Company" (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors) of the OTHER PART:

WHEREAS M/s. ....(herein after called the Supplier / Contractor) has entered into a contract No. .... Dated .....(hereinafter called the Contract) with the company ..... for ..... AND WHEREAS the Contract inter-alia provides that the Company will pay to the contractor / Supplier advance of Rs. .... (Rupees ..... Only) on certain terms and conditions specified therein subject to the contractor furnishing a bank guarantee for Rs. .... (Rupees ..... only) in favour of the company.

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

**NOW THIS DEED WITNESSETH AS FOLLOWS**

- a. In consideration of the company having agreed to advance a sum of Rs. .... (Rupees .....only) to the Contractor / Supplier, 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 / Supplier fails to utilize the said advance for the purpose of the contract and / or the said advance together with interest thereon 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 the for the loss or damage caused to or suffered by the Company by reason of the Company not being able recover in full the said sum of Rs. .... with/without interest as aforesaid.

- b. The decision of the Company whether the contractor/supplier has failed to utilize the said advance or any part there of for the purpose of the contract and or as to the extent of loss or damage cause to suffered by the Company by reason of the Company not being also to recover in full the sum of Rs. .... with/without interest shall be final and binding on the Guarantor, irrespective of the fact whether the Contractor/Supplier 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.
- c. 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 the advance or to extend time of performance by the Contractor/Supplier or to postpone for any time and from time to time any of the powers exercisable by it against the said contractor/supplier and either to enforce or forbear from enforcing any of the terms and conditions governing the said contract or the advance 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 reason of time being given to the contractor / Supplier or any other forbearance act or omission on the part of the Company or any indulgence by the company to the said contractor supplier or of the 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.
- d. The guarantee 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 contract and till the said advance with/without interest has been fully recovered and its claims satisfied or discharged and till ..... certifies that the said advance with interest has been fully recovered from the said contractor/ supplier and accordingly discharges this Guarantee subject, however, that the company shall have no claim under the Guarantee after ..... Years from the date of completion of the contract, 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.
- e. The Guarantor undertake not to revoke this Guarantee during the period it is in force except with the previous consent of the Company in writing and agree that any liquidation or winding

up or insolvency or any change in the constitution of the contractor/Supplier or the guarantor shall not discharge the Guarantor's liability hereunder.

- f. 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/ Supplier, at the time when proceedings are taken against the guarantor, for the outstanding or unrealised.
- g. 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 ..... granted to him by the proper authorities of the Guarantor.
- h. "We ..... Undertake to pay to BHEL any money so demanded notwithstanding any ( indicate the name of Bank) dispute or disputes raised by contractor(s) supplier(s) in any suit or proceeding pending before any court or tribunal relating thereto our liability under these presents being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge of our liability for payment thereunder and the contractor(s) / Supplier(s) shall have no claim against us for making such payment".

IN WITNESS whereof the ..... (Bank) and M/s. Bharat Heavy Electricals Limited, have hereunto set and subscribed their respective hands the day, month and year first above written.

WITNESSES:

1.

2.

Signed for and on behalf  
of the (Bank)

WITNESSES:

1.

2.

Signed for and on behalf of  
Bharat Heavy Electricals Limited