

INSTRUCTIONS FOR FURNISHING BANK GUARANTEE

1. Bank Guarantee (B.G.) for Advance Payment, Mobilization Advance, B.G. for Security Deposit-cum-Performance Guarantee, Earnest Money should be executed on the Non-Judicial Stamp Paper of the applicable value and to be purchased in the name of the Bank.
2. The Executor (Bank authorities) may mention the Power of Attorney No. and date of execution in his/her favour with authorization to sign the documents. The Power of Attorney is to be witnessed by two persons mentioning their full name and address.
3. The B.G. should be executed by a Nationalised Bank/Scheduled Commercial Bank. B.G. from Co-operative Bank/Rural Banks is not acceptable.
4. A Confirmation Letter of the concerned Bank must be furnished as a proof of genuineness of the Guarantee issued by them.
5. Any B.G. if executed on Non-Judicial Stamp paper after 6 (six) months of the purchase of such stamp paper shall be treated as Non-valid.
6. Each page of the B.G. must bear signature and seal of the Bank and B.G. Number.
7. The contents of the B.G. shall be strictly as Proforma prescribed by BPSCL in line with NIT/Purchase Order/LOI/Work Order etc. and must contain all factual details.
8. Any correction, deletion etc. in the B.G. should be authenticated by the Bank Officials signing the B.G.
9. In case of extension of a Contract, the validity of the B.G. must be extended accordingly.
10. B.G. must be furnished within the stipulated period as mentioned in Purchase Order/L.O.I./Work Order etc.
11. Issuing Bank/The Vendor are requested to mention the Purchase Order/Contract/Work Order reference along with the B.G. No. for making any future queries to BPSCL.

(On non-judicial stamp paper of appropriate value to be purchased in the name of
executing Bank)

FORM OF EXTENSION OF BANK GUARANTEE

Ref. No. :
Date.....

M/s Bokaro Power Supply Company (P) Ltd.
Hall No. – M-01, Old ADM Building,
Ispat Bhawan, Bokaro Steel City – 827001

Sub: Extension of Bank Guarantee No..... Dated for
Rs..... Favours yourselves, expiring on on account of M/s
.....in respect of P.O. / W.O No.
Dated.....

(Hereinafter called original Bank Guarantee)

Dear Sirs,

At the request of M/s..... We.....
Bank Branch Office at.....and having its head
office atdo hereby extend the validity of the above
mentioned Bank Guarantee No..... dated.....by another
months/years and will now expire on..... with claim period upto

Except as provided above, all other terms and conditions of the original Bank Guarantee
No.....Dated.....shall remain unaltered and binding.

Please treat this as an integral part of the original guarantee to which it would be attached.

Yours faithfully,

For.....
Manager/Agent/Accountant
Dated.....
SEAL OF BANK

(On non-judicial stamp paper of appropriate value to be purchased in the name of executing Bank)

PROFORMA BANK GUARANTEE FOR ADVANCE

(To be stamped in accordance with Stamp Act)

Ref:
Date:

Bank Guarantee No.....

To
M/s Bokaro Power Supply Company (P) Ltd.
Hall No. – M-01, Old ADM Building,
Ispat Bhawan, Bokaro Steel City – 827001

Know all men by these presents that in the consideration of the Bokaro Power Supply Company (P) Ltd. (herein after referred to as the ‘Owner’, which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/s..... with its Registered / Head Office at..... hereinafter referred to as ‘Contractor ‘ which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors, and assigns) a contract by issue of Owner’s Letter of Award No. dated and the same having been unequivocally accepted by the Contractor, resulting into a Contract bearing No. dated valued at for..... (scope of work) contract (hereinafter called ‘Contract’) and the owner having agreed to make an advance payment to the Contractor for performance of the above Contract amounting to (in words and figures) as an Advance against Bank Guarantee to be furnished by the Contractor.

We _____ (name of the Bank) having its head Office at _____ (address) (hereinafter referred to as the ‘ Bank’ which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the owner immediately on demand any or all money payable by the Contractor to the extent of _____ (in words and figures) at any time upto _____ without any demur, reservation, recourse, contest or protest and or without any reference to the contractors. Any such demand made by the owner on the bank shall be conclusive and binding notwithstanding any difference between the owner and contractor or any dispute pending before any court, Tribunal, arbitrator or any other authority. We agree that the Guarantee herein contained shall be irrecoverable and shall continue to be enforceable till the owner discharges this Guarantee.

The owner shall give the fullest liberty without affecting in any way the liability of the Bank under the Guarantee from time to time to vary the advance or to extend the time for performance of the Contract by the Contractor. The owner 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 contractor, and to exercise the same at any time in any manner, and either to enforce or to forebear to enforce any covenants contained or implied in the Contract between the Owner and the Contractor or any other course or remedy or security available to the Owner. The Bank shall not be released of its obligations under these presents by any exercise by the Owner of its liberty with reference to matters aforesaid or any of them or by reason of any other

act or forbearance or other acts of omission or commission on the part of the law would but for this provision have the effect of relieving the Bank.

The Bank also agrees that on certification of the Owner the amount of the Bank Guarantee shall stand reduced to the extent so notified by the Owner semi-annual. It is further agreed that the reduction so notified by the Owner shall be conclusive and binding on the bank without any reservation.

The Bank also agrees that the Owner at its option shall be entitled to enforce this Guarantee against Bank as a Principal debtor in first instance without proceeding against the Contractor and notwithstanding any security or other Guarantee that the Owner may have in relation to the Contractor's liabilities.

We, (Name of bank.....), hereby further agree that the guarantee herein contained can be operable from its Bokaro Steel City Branch and shall not be effected by any change in the constitution of the SELLER / CONTRACTOR and / or PURCHASER.

Notwithstanding anything contained hereinabove, our liability under this guarantee is limited to _____ and it shall remain in force up to and including

@ _____ and shall be extended from time to time for such period (not exceeding one year) as may be desired by M/s. _____ on whose behalf this Guarantee has been given.

Dated this _____ day of _____ 20_____ at _____

(Signature)
Name Designation with Bank Stamp

Witness
Signature

Witness
Signature

Official Address

* Strike out whichever is not applicable

@ The date will be 90 days after the date of completion of the contract.

(On non-judicial stamp paper of appropriate value to be purchased in the name of executing Bank)

PROFORMA OF BANK GUARANTEE IN LIEU OF EARNEST MONEY DEPOSIT (EMD)

Ref.....

Bank Guarantee No.....

Date.....

To
M/s Bokaro Power Supply Company (P) Ltd.
Hall No. – M-01, Old ADM Building,
Ispat Bhawan, Bokaro Steel City – 827001

Dear Sirs,

In accordance with your Notice Inviting Tender for..... under your specification No.....dated.....M/s.(Name & full address of the firm) (Hereinafter called the Tenderer) hereby submit the Bank Guarantee:

Whereas to participate in the said tender for the following:

1. (Name & Description of the work/materials)
2.
3.

It is a condition in the tender documents that the tenderer has to deposit Earnest Money amounting to Rs. in respect to the tender, with Bokaro Power Supply Company (P) Ltd. (*) (hereinafter referred to as “Company”) by a Bank Guarantee from a Nationalized Bank/ Schedule Bank/Foreign Bank irrevocable and operative till the validity of the offer (i.e.days from the date of opening of tender) for the like amount which amount is likely to be forfeited on the happening of contingencies mentioned in the tender documents.

And whereas the tenderer desires to secure exemption from deposit of Earnest Money and has offered to furnish a Bank Guarantee for a sum of Rs..... to the Company as Earnest Money.

Now, therefore, we the (Bank), a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act. 1969 (delete, if not applicable) and branch Office at..... (Hereinafter referred to as the Guarantor) do hereby undertake and agree to pay forthwith on demand in writing by the Company of the said guaranteed amount without any demur, reservation or recourse.

We, the aforesaid bank, further agree that the Company shall be the sole judge of and as to whether the tenderer has committed any breach or breaches of any of the terms costs, charges and expenses caused to or suffered by or that may be caused to or suffered by the Company on account thereof to the extent of the Earnest Money required to be deposited by the Tenderer in respect of the said Tender Document and the decision of the Company that the Tender has committed such breach or breaches and as to the amount or amounts of loss, damage, costs,

charges and expenses caused to or suffered by or that may be caused to or suffered by the Company shall be final and binding on us.

We, the said Bank further agree that the Guarantee herein contained shall remain in full force and effect until it is released by the Company and it is further declared that it shall not be necessary for the Company to proceed against the Tenderer before proceeding against the Bank and the

Guarantee herein contained shall be invoked against the Bank, notwithstanding any security which the Company may have obtained or shall be obtained from the Tenderer at any time when proceedings are taken against the Bank for whatever amount that may be outstanding or unrealised under the Guarantee.

The right of the Company to recover the said amount of Rs. (Rupees.....) from us in manner aforesaid will not be precluded/affected, even if, disputes have been raised by the said M/S.....(Tenderer) and/or dispute or disputes are pending before any authority, officer, tribunal, arbitrator(s) etc.

We, (Name of bank.....), hereby further agree that the guarantee herein contained can be operable from its Bokaro Steel City Branch and shall not be effected by any change in the constitution of the SELLER / CONTRACTOR and / or PURCHASER.

Notwithstanding anything stated above, our liability under this guarantee shall be restricted to Rs. (Rupees) only and our guarantee shall remain in force up to and unless a demand or claim under the guarantee is made on us in writing within three months after the aforesaid date i.e. on or before the all your rights under the guarantee shall be forfeited and we shall be relieved and discharged from all liability there under.

Date
(Signature)

Place
(Printed Name)

.....
(Designation)

.....
(Bank's common seal)

.....
In presence of:

WTTNESS (with full name, designation, address & official seal, if any)

(1).....

(2).....

.....

(On non-judicial stamp paper of appropriate value to be purchased in the name of executing Bank)

**PROFORMA OF BANK GUARANTEE FOR SECURITY
DEPOSIT-CUM- PERFORMANCE GUARANTEE**

Ref.....

Bank Guarantee No.....

Date.....

PROFORMA OF B.G. FOR SECURITY DEPOSIT / 100% PAYMENT

1. KNOW ALL MEN BY THESE PRESENTS that in consideration of Bokaro Power Supply Company (P) Ltd., a Joint Venture of SAIL & DVC constituted and established under the Companies Act 1956 and having its Registered Office at Ispat Bhawan, Lodi Road, New Delhi- 110 003 & one of its unit at Hall No. –M-01, Old ADM Building, Ispat Bhawan, Bokaro Steel City –827001 (hereinafter called “The Company”) having agreed to accept from _____ (hereinafter called “The Contractor”), a Bank Guarantee for Rs. _____ in lieu of Cash Security Deposit for the due fulfilment by the Contractor of the terms & conditions of the *Purchase Order/Letter of Intent/Letter of Acceptance/ work order No. _____ issued by the Company for (Name & Description of the work/material) _____ (hereinafter called “the said* Purchase Order/Letter of Intent/Letter of Acceptance/ work order”) we _____ (hereinafter called “the Guarantor”) do hereby undertake to indemnify and keep indemnified the Company to the extent of Rs. _____ (Rupees _____) only against any loss or damage caused to or suffered by the Company by reason of any breach by the Contractor of any of the terms and conditions contained in the said * Purchase Order/Letter of Intent/Letter of Acceptance/ work order of which breach the opinion of the Company shall be final and conclusive.
2. AND WE, _____ DO HEREBY Guarantee and undertake to pay forthwith on demand to the Company such sum not exceeding the said sum of _____ (Rupees _____) only as may be specified in such demand, in the event of the Contractor failing or neglecting to execute fully efficiently and satisfactorily the order for _____ PLACED WITH IT (the work tendered for by it) within the period stipulated in the said* Purchase Order/Letter of Intent/Letter of Acceptance/work order in accordance with terms and conditions contained or referred to in the said* Purchase Order/Letter of Intent/Letter of Acceptance/work order in the event of the Contractor refusing or neglecting to maintain satisfactory operation of the equipment or work or to make good any defect therein or otherwise to comply with and conform to the design, specification, terms and conditions contained or referred to in the said* Purchase Order/Letter of Intent/Letter of Acceptance/ work order.
3. WE _____ 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 order as laid down in the said *Purchase Order/Letter of Intent/Letter of Acceptance/work order including the warranty obligations and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said* Purchase Order/Letter of Intent/Letter of Acceptance/work order have been fully paid and

its claims satisfied or discharged or till the Company or its authorized representative certified that the terms and conditions of the said* Purchase Order/Letter of Intent/Letter of Acceptance/ work order have been fully and properly carried out by the said contractor and accordingly discharged the Guarantee.

4. WE _____, the Guarantor undertake to extend the validity of Bank Guarantee at the request of the Contractor for further period or periods from time to time beyond its present validity period failing which we shall pay the Company the amount of Guarantee.
5. The liability under this guarantee is restricted to Rs. _____ (Rupees _____) only and will expire on _____ and unless a claim in writing is presented to us or an action or suit to enforce the claim is filed against us within 6 months from _____ all your rights will be forfeited and we shall be relieved of and discharged from all our liabilities (thereinafter).
6. The Guarantee herein contained shall not be determined or effected by liquidation or winding up or insolvency or closure of the Contractor.
7. The executants has the power to issue this guarantee on behalf of the Guarantor and holds full and valid power of Attorney granted in his favour by the Guarantor authorizing him to execute the Guarantee.
8. We, (Name of bank.....), hereby further agree that the guarantee herein contained can be operable from its Bokaro Steel City Branch and shall not be effected by any change in the constitution of the SELLER / CONTRACTOR and / or PURCHASER.
9. Notwithstanding anything contained herein above, our liability under this guarantee is restricted to Rs. _____ (Rupees _____) only and our guarantee shall remain in force upto _____ and unless a demand or claim under the guarantee is made on us in writing on or before _____ all your rights under the guarantee shall be forfeited and we shall be relieved and discharged from all liabilities there under.

WE, _____ Bank lastly undertake not to revoke this guarantee during the currency except with the previous consent of the Corporation in writing. In witness whereof we _____ have set and subscribed our hand on this _____ day of _____.

SIGNED, SEALED AND DELIVERED

(Stamp of the executants)

WITNESS

- 1) _____
- 2) _____

(Name & address in full with Rubber Stamp)

* Mention the relevant along with reference number.