

**FORMAT OF
BANK GUARANTEE FOR ADVANCE PAYMENT**

NOTE.

1. This guarantee should be furnished by a Nationalised Bank/ Scheduled Bank authorised by RBI to issue a Bank Guarantee excepting Bank of Baroda. NLC reserves its rights to reject the Bank Guarantee if the same is not in the specified format.
2. This bank guarantee should be furnished on stamp paper of value not less than Rs.80.00
3. The stamp paper should have been purchased in the name of the Bank executing the Guarantee.
4. In the case of foreign bidder the B.G may be furnished by an international reputed bank acceptable to the PURCHASER/ RBI.
5. The advance Bank Guarantee shall be valid till the completion of Supplies with a grace period of 3 (Three) months thereafter.
6. Any deviation in this format will not be acceptable.

ADVANCE PAYMENT GUARANTEE NO :

PLACE :

DATE :

TO
M/S NEYVELI LIGNITE CORPORATION LTD.,
NEYVELI- 607 801
CUDDALORE DIST., TAMIL NADU.

Dear Sirs,

1. Pursuant to the Contract, herein after referred to as "The CONTRACT" which M/S herein after referred to as the "CONTRACTOR" (which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, representatives and assignees), have concluded with NEYVELI LIGNITE CORPORATION LIMITED, NEYVELI, herein after referred to as the "PURCHASER" (which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, representatives and assignees), on 200 vide. Letter of Award No: Dated : The CONTRACTOR have Undertaken to(scope of work) for (Contract price) on FOB/ Ex-works basis.
2. According to the said Contract, the PURCHASER, has undertaken to make an advance payment of Rs..... (Rupees only) being the payment of % for against issuance of an advance payment guarantee by a Bank.

3. For this advance payment, We, the undersigned (Name) (Address), herein after referred to as the bank, which expression shall unless repugnant to the context or meaning thereof include its successors, administrators, representatives and assignees, hereby guarantee to the effect that we irrevocably under-take to pay the PURCHASER merely on demand without any previous notice and without any demur and without recourse to the CONTRACTOR and without referring to any other source, any and all monies payable by the CONTRACTOR towards the advance or part thereof paid by the PURCHASER, but not exceeding Rs..... (Rupees only) provided the PURCHASER advise us that the CONTRACTOR has failed to fulfil his contractual obligations stipulated in the said Contract. Any such demand made by PURCHASER on the bank shall be conclusive and binding, absolute and unequivocal notwithstanding any difference between the PURCHASER and the CONTRACTOR or any dispute or disputes raised /pending before any court, Tribunal Arbitrator or any other authority.
4. The value of this Bank Guarantee shall be reduced once in three months based on the pro-rata supplies effected/ erection completed , as confirmed by the Purchaser.
5. This guarantee will not be discharged due to the change in the constitution of the Bank or the CONTRACTOR(S).
6. This guarantee will become invalid three months after the completion of the(scope of work) by the CONTRACTOR under the said Contract or as soon as this Letter Of Guarantee has been returned to us at the latest, however, on unless a claim has been lodged with us under this guarantee before that date.
7. We. (Bank) further agree that if the said Contractor fails to adhere to the total or individual time schedule stipulated in the said Contract and if there be delay in the to reimburse to the Purchaser interest at the prevailing rate as applicable for cash/ credit facilities on the amount of advance payment made by the Purchaser.
8. 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 CONTRACTOR. The Bank shall not be released from its liability under these presents by any exercise of the PURCHASER of the liberty with reference to the matter aforesaid.
9. 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 notwithstanding any other Security or Guarantee that it may have in relation to the CONTRACTOR's liabilities.
10. The Bank further agrees that the decision of the PURCHASER as to the failure on the part of the CONTRACTOR to fulfil the Contractual obligations stipulated in

the said Contract and/or to the amount payable by the Bank to the PURCHASER shall be final conclusive and binding.

11. This guarantee is revocable only with the written consent of the PURCHASER.
12. This guarantee shall remain in force upto and including and 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.
13. In any case, our liability under this advance payment guarantee does not exceed Rs.....(.....) subject however to the application of the interest clause envisaged in para-7 above which will be paid in addition on the said guarantee amount.
- 14.0 Notwithstanding anything contained herein:
 - a. our liability under this bank guarantee shall not exceed (in words)
 - b. this bank guarantee shall be valid upto; and
 - c. we are liable to pay the guaranteed amount or any part thereof under this bank guarantee only and only if you serve upon us a written claim or demand on or before

Return of this document to us by any person before the aforesaid date will, however, extinguish our liability as on the date of return.

Dated this day of200

WITNESSES :

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| 1. | (Signature with name in Block letters
and with designation) | Signature
(Printed Name)
Designation
Staff Code No.
Bank's seal |
| 2 | (Signature with name in Block letters
and with designation) | Attorney as per power of
Attorney No.
Dated |