

BANK GUARANTEE "FORMAT" FOR RELEASE OF
"LIQUIDATED DAMAGES AMOUNT"

1. This guarantee has to 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. The Bank Guarantee should be furnished on Stamp paper of value of not less than Rs.80.00.
3. The stamp papers should be purchased in the name of 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 Bank Guarantee should be valid till the LD issues are settled.
6. Any deviation in this format will not be acceptable.

Date:
B.G. No.

To
Neyveli Lignite Corporation Limited,
Neyveli 607 801,Cuddalore District,
Tamil Nadu.

- 1.0 Pursuant to the Contract No. , dated hereinafter referred to as “CONTRACTS” which M/s. , having Registered Office at referred to as the “CONTRACTOR” which expression shall, unless repugnant to the context or meaning thereof, includes its successors, administrators representatives and assignees have concluded with M/s. Neyveli Lignite Corporation Limited, Neyveli, having Registered Office at ‘Neyveli House’ 135, Periyar E.V.R. High Road, Kilpauk, Chennai-600 010. hereinafter referred to as the “PURCHASER” (which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, representatives and assignees vide Contract No.: and the subsequent amendments thereto the Contractor has undertaken to execute the work of for the Neyveli Mine-IA Project for a Total Contract Value of Rs. (Rupees only).
- 2.0 As per Clause of the Contract the Contractor should have completed the work of by and as per the Clause of the Contract the Purchaser is entitled to levy Liquidated Damages for delays.
- 3.0 The Contractor however failed to adhere to the Time Schedule stipulated in the Contract for which, the Purchaser has recovered a sum of Rs. . . . (Rupees. . . . only)

towards Liquidated Damages for the delays in the execution of works in accordance with the Clause . . . of the Contract.

- 4.0 The Contractor has requested the Purchaser for waiving the L.D. and pending final decision on this request sought for releasing the amount withheld towards Liquidated Damages for the delay in execution of work to enable him to overcome the liquidity problems. In consideration of the above request, the Purchaser has agreed to withheld 10% of the amount recoverable and to release 90% of amount recovered towards Liquidated Damages subject to the condition that the Contractor furnishes a Bank Guarantee for the overall Liquidated Damages ceiling prescribed in the Contract.
- 5.0 We the undersigned (Bank). . . . (Address) (hereinafter referred to as the “BANK”, which expression shall include its successors, administrators, executors, representatives and assignees) do hereby irrevocably undertake that in the event of the Purchaser deciding not to waive the Liquidated Damages recovered from the Contractor and thereby deciding to finally confirm the levy and recover the amount of Liquidated Damages provisionally released, to pay the amount of Rs. .. (Rupees Only) due and payable under this guarantee to the Purchaser without any demur, merely on demand from the Purchaser. Any such demand made by the Purchaser on the Bank shall be conclusive and binding, absolute and unequivocal as regards the amount due and payable by the Bank under this guarantee, 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.
- 6.0 This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s).
- 7.0 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 liabilities under these presents by any exercise of the Purchaser of the liberty with reference to the matter aforesaid.
- 8.0 We, the Bank also agree 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.

- 9.0 In any case our liability under this guarantee shall not exceed Rs. . . . (Rupees only). This guarantee will be valid upto . . . (Scheduled date of completion of Contract) and shall be extended for such period as may be desired by M/s. , on whose behalf this guarantee has been given.
- 10.0 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.
- 11.0 This guarantee is revocable only with the written consent of the Purchaser.
- 12.0 This guarantee deed must be returned to us upon the expiration of the guarantee or after fulfillment of the obligations specified in the guarantee.

Dated this . . . day of 2002.

- 13.0 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

Signature
Name
Designation
Date
Authorisation No.
Bank Seal

Witness -1:

Signature
Name
Occupation
Address
Date

Witness -2:

Signature
Name
Occupation
Address
Date