

RETENTION MONEY BANK GUARANTEE

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 Retention bank guarantee shall be valid till the actual date of completion of Long Term Performance Test/ commissioning in the case of procurement for Mines units. In the case of procurement for Thermal Stations and other units, the Bank guarantee shall be valid till the actual completion of commissioning.
6. Any deviation in this format will not be acceptable.

RETENTION MONEY BANK GUARANTEE NO.....

PLACE:.....

DATE:.....

Ref.

To
M/s. Neyveli Lignite Corporation Limited,
Neyveli - 607 801.
Cuddalore District, Tamil Nadu).

Dear Sirs,

- 1.0 In consideration of the Neyveli Lignite Corporation Limited, Neyveli (hereinafter referred to as the 'Purchaser' which expression shall unless repugnant to the context or meaning thereof, include its successors administrators, representatives and assignees), having awarded to M/s..... with its Registered Office/Head Office at(hereinafter referred to as the "CONTRACTOR", which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors, representatives and assignees) a Contract/ Letter of Award herein after referred to as the Contract/Letter of Award for 'scope of work' on terms and conditions set out interlia in the Purchaser's Letter of Award/Contract No..... dated..... as well as contract document valued at at and the same having been unequivocally accepted by the Contractor, and whereas the Purchaser under the terms contract has agreed to

make the payment of the final 10% value of the contract price of the..... unit to the Contractor amounting to (in words) against Retention Money Bank Guarantee to be furnished by the Contractor.

- 2.0 For this payment, we, the undersigned (Name)(address) with 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, representatives and assignees)do hereby guarantee to the effect that we irrevocably undertake to pay immediately upon the PURCHASER's first demand without any previous notice and without any demur, reservations recourse, contest or protest and/ or without referring to any other sources including the Contractor, any and all monies, but not exceeding (.....in words) at any time upto Any such demand made by the Purchaser on the Bank shall be conclusive and binding notwithstanding any difference between the PURCHASER and the CONTRACTOR or any dispute pending before any court, Tribunal, Arbitrator or any other authority. We hereby agree that the Guarantee herein contained shall be irrevocable and shall continue to be enforceable till the PURCHASER discharges this guarantee.
- 3.0 The Purchaser shall also have the right to encash the RMBG for the recovery of penalties in terms of the contract.
- 4.0 The PURCHASER shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee from time to time extend the time performance of the contract by the CONTRACTOR. The Purchaser shall have full 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 forbear to enforce any covenants contained or implied in the contract between the Purchaser and the Contractor or any other course or remedy or security available to the Purchaser. The Bank shall not be released of its obligations under these presents by any exercise by the Purchaser or 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 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. The Bank shall not be released from its liability under these presents by an exercise of the PURCHASER of the liability with reference to the matter aforesaid.
- 5.0 The Bank also agrees that the PURCHASER at his option shall be entitled to enforce this guarantee against the Bank as a principal Debtor, in the first instance, without proceeding against the Contractor and notwithstanding any other security or guarantee that the Purchaser may have in relation to the Contractor's liabilities.

- 6.0 a. This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor.
- b. Notwithstanding anything contained herein above our liability under this guarantee does not exceed (in words)
- c. This guarantee shall remain in force upto and includingand shall be extended retaining the same terms and conditions from time to time for such periods as may be desired by M/son whose behalf this guarantee has been given.

7.0 The Bank further undertakes not to revoke this guarantee during its currency without the previous consent of the Purchaser in writing.

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

8.0 Notwithstanding anything contained herein:

- a. our liability under this bank guarantee shall not exceed (in words)
this bank guarantee shall be valid upto; and

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 of 200..

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 |