

## FORMAT OF BANK GUARANTEE FOR ADVANCE PAYMENT

### Note:

1. This Guarantee should be furnished by a Nationalized Bank / Scheduled Bank except The Bank of China as per the following format.
2. The Bank Guarantee should be furnished in Stamp paper as per Stamp Act (at present not less than Rs.80/- Stamp Paper)
3. The stamp paper should have been purchased either in the name of the Bank executing the Guarantee or in the name of NLC.
4. This Bank Guarantee should be directly sent to the Purchaser by the issuing Bank under RPAD.

Advance Payment Guarantee No. ....

Place :

Date :

TO

THE HEAD OF UNIT,  
MATERIALS MANAGEMENT COMPLEX,  
NEYVELI LIGNITE CORPORATION LTD.,  
NEYVELI-607 807, CUDDALORE DIST,  
TAMIL NADU, INDIA.

Dear Sirs,

1. Pursuant to the purchase order, hereinafter referred to as "The Purchase order" with M/s.....hereinafter referred to as the "SELLER", which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, representatives and assignees, have concluded with NEYVELI LIGNITE CORPORATION LTD., 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 ..... vide Letter of Intent / Purchase Order No.....dated .....the seller have

undertaken to .....  
.....manufactured in  
.....and supplied on Ex-Works basis particularly listed  
in ..... of the purchase order as per the prices indicated  
hereunder against each:

- a. ....
- b. ....
- c. ....

2. According to the said purchase order, the PURCHASER has undertaken to make an advance payment of Rs.....(Rupees.....only) being the payment of .....% of the purchase order value for ..... against issuance of an advance payment guarantee by a Bank.
3. For this advance payment, we, the undersigned (name) .....(address)....., hereinafter referred to as Bank, which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, representatives and assignees, hereby guarantee to the effect and irrevocably undertake to pay upon the PURCHASER, merely on demand, without any previous notice and without any demur reservation, contest, protest and without recourse to the Seller and without referring to any other source, any and all money payable by the Seller towards the advance or part thereof paid by the PURCHASER, but not exceeding Rs.....(Rupees .....only) provided the PURCHASER advises us that the Seller has failed to fulfill his purchase order obligations stipulated in the said purchase order, Any such demand made by the PURCHASER on the Bank shall be conclusive and binding, absolute and unequivocal not withstanding any difference between the PURCHASER and the SELLER or any dispute or disputes raised/pending before any Court., Tribunal, Arbitrator or any other authority.
- 4 This Guarantee will not be discharged due to the change in the constitution of the Bank or the SELLER (S).

5. This guarantee will become invalid after ..... months after the completion of the purchase order by the Seller of all the parts of the equipment under the purchase order 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 the date.
  
6. We, the (Bank), further agrees that if the said Seller fails to adhere to the total or individual time schedules stipulated in the said purchase order and if there be delay in the execution of purchase order, to reimburse, to the PURCHASER, INTEREST AT THE PREVAILING BANK RATE APPLICABLE FOR cash/Credit facilities on the amount of advance payment made by the PURCHASER.
  
7. The PURCHASER shall have the fullest liberty without affecting in any way liability of the Bank under this guarantee from time to time to extend the time of performance by the SELLER. 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.
  
8. 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 Seller's liabilities.
  
9. 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.
  
10. The Bank further agrees that the decision of the PURCHASER as to the failure on the part of the SELLER to fulfill the purchase order obligations stipulated in the said purchase order and/or to the amount payable by the Bank to the Purchaser shall be final, conclusive and binding on them.
  
11. This guarantee is revocable only with the written consent of the PURCHASER.

12. In any case, our liability under this advance payment guarantee does not exceed Rs.....  
(Rupees .....only ) subject, however, to the application of  
the interest clause envisaged in para-6 above which will be paid in addition to the said guarantee  
amount.

13. This guarantee deed must be returned to us upon the expiration, of the guarantee  
Dated this .....day of .....

Signature .....

Name .....  
(in Block letters)

Designation .....

(Staff Code No.).....

Official address:

(Bank's common Seal)

Attorney as per power of Attorney No.

Date:

WITNESS

1.....

(Signature with Name, Designation & Address)

2.....

(Signature with Name, Designation & Address)