PROFORMA OF BANK GUARANTEE IN LIEU OF EARNEST MONEY DEPOSIT

Ref:
To,
Indraprastha Power Generation Company Limited.
Rajghat power House Complex,
New Delhi- 110 002

Dear Sirs,

In accordance with your Notice Inviting Tender for ____________________________ under your specification No._______ Dt_________ M/s_______________________ (hereinafter called the Tenderer ) with following directors on their Board of Directors/ Partners of firm:

1.________________________________
2.________________________________
3.________________________________
4.________________________________
5.________________________________
6.________________________________
7.________________________________
8.________________________________
9.________________________________
10________________________________

Whereas to participate in the said tender for the following:

1.________________________________
2.________________________________
3.________________________________

Whereas it is a condition in the tender documents that the tenderer has to deposit Earnest Money with respect to the tender with Indraprastha Power Generation Company (hereinafter referred to as Company) amounting to Rs.___ and tenderer in lieu of EMD can submit Bank Guarantee from a nationalized bank irrevocable and operative till ____ days after the validity of the offer (i.e 210 days from the date of opening of tender) for the like amount which 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 for Earnest Money.

Now, therefore, we the ________________ Bank, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act 1969 and branch office at ________________ (hereinafter referred to as the Bank) do herby undertake and agree to pay on demand in writing by the Indraprastha Power Generation Company Ltd. 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 Tenderer has committed such breach or breaches and as to the amount or amounts of loss, damage, cost, 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 change in the constitution, liquidation or dissolution of the tenderer, shall not effect our liability guaranteed herein, it is further declared that it shall not be necessary for the Company to proceed against the Contractor before proceeding against the Bank and the Guarantee herein contained shall be enforceable against the Bank, not withstanding any security which the Company may have obtained or shall obtain from the contractor at the time when proceedings are taken against the Bank for whatever amount 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 effected due to dispute have been raised by the said M/S ________________ (Tenderer and/or dispute or disputes are pending before any authority, officer, tribunal ________________ arbitrator(s) etc.

Notwithstanding anything stated above, our liability under this guarantee shall be restricted to Rs.__________ (Rupees__________) and our guarantee shall remain inforce upto______ 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 thereunder

Date_______  
Place__________

(Signature)_________
(Printed Name)______
(Designation)________
(Bank’s common seal)________

Witness With full name & Address) Authority
No.
(1)____________
(2)____________