

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 hereby 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 of 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, notwithstanding 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 in force 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)_____