

**FORMAT OF COMBINED BANK GUARANTEE (CBG) FOR CONTRACT PERFORMANCE  
(COVERING DELIVERY OBLIGATIONS AND WARRANTY OF THE EQUIPMENT)**

**NOTE:**

1. This guarantee has to be furnished by a Nationalized Bank / Scheduled Bank except The Bank of China as per the following format.
2. This Bank Guarantee should be furnished on stamp paper as per Stamp Act (at present not less than Rs.80.00 stamp paper)
3. The stamp papers should have been purchased either in the name of BANK executing the guarantee or in the name of NTPL.
4. This Bank Guarantee should be furnished within 60 days from the date of purchase order or the delivery period prescribed in the purchase order whichever is earlier.
5. In the case of foreign seller, the bank guarantee may be furnished by an international reputed bank having their branch in India.
6. This Bank Guarantee should be directly sent to the Purchaser by the issuing Bank under RPAD.

Bank Guarantee No : .....

Date : .....

To

The Chief Executive Officer,  
NLC Tamilnadu Power Ltd.,  
Harbour Estate, Tuticorin - 628004.  
Tamilnadu, India.

Dear Sirs,

- 1.0 In consideration of the NLC Tamilnadu Power Limited, Tuticorin, 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, having awarded in favour of M/s.....having registered office at..... hereinafter referred to as the SELLER, which expression shall, unless repugnant to the context or meaning thereof include its successors, administrators, representatives and assignees, a contract, hereinafter

referred as the "PURCHASE ORDER" for the supply of ..... on terms and conditions set out inter alia, in the PURCHASER's Purchase Order No.....dated ..... as well as "PURCHASE ORDER" documents, valued at Rs.....(Rupees.....only) and the same having been unequivocally accepted by the SELLER and the SELLER having agreed to provide a Contract Performance Guarantee for the Faithful Performance of the entire "PURCHASE ORDER" including the warranty obligations / liabilities under the purchase order equivalent to 5% of the said value of the purchase order to the PURCHASER amounting to Rs.....(Rupees.....only) as purchase order security in the form of a Bank Guarantee.

2.0 We, .....(Name of Bank and address) hereinafter referred to as the 'Bank' which expression, shall unless repugnant to the context or meaning thereof, include its successors, administrators, representatives and assignees, do hereby irrevocably guarantee and undertake to pay the PURCHASER merely on demand without any previous notice and without any demur and without referring to any other source, any and all monies payable by the SELLER by reason of any breach by the said SELLER of any of the terms and conditions of the said PURCHASE ORDER including non-execution of the "PURCHASE ORDER" to the extent of 5% of the purchase order price at any time up to .....(day).....(month).....(year). Any such demand made by the Purchaser on the bank shall be conclusive and binding, absolute and unequivocal notwithstanding any difference between the PURCHASER and the SELLER or any dispute or disputes raised / pending before any court, tribunal, arbitrator or any other authority. The bank agrees that the guarantee herein contained shall continue to be enforceable till the sum due to the PURCHASER is fully paid and claims satisfied or till the PURCHASER discharges this guarantee.

3.0 The bank further irrevocably guarantees and undertakes to pay on mere demand, without any demur, reservation, contest, recourse or protest any and all monies due and payable by the SELLER by reasons of non-fulfillment of any of the following obligations:

3.1 For the successful and satisfactory operation of the materials supplied under the said purchase order as per the specifications and documents.

3.2 That the materials supplied under the said purchase order shall be new and in conformity with purchase order documents and be free from all defects in design, engineering, material workmanship and performance including modifications, improvements and replacements for a period of ..... Calendar months from the date of commissioning or ..... months from the date of receipt of materials at site whichever is earlier. Immediately upon commissioning of the equipments and successful completion of take over test of the equipment and that immediately upon intimation / written notice from the PURCHASER, the SELLER shall remedy free of expenses, to the PURCHASER such defects as noticed and developed under the normal use of the said equipment, within the said guarantee period.

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, to extend the time of performance by the SELLER. 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.

5.0 The PURCHASER shall have the fullest 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 SELLER 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 purchase order between the PURCHASER and the SELLER or any other course of remedy or security available to the PURCHASER and the bank shall not be released of its obligations/liabilities under these presents by any exercise by the PURCHASER of his liberty with reference to the matters aforesaid or any of them or by reasons of any other act or forbearance or other acts of omission or commission on the part of 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 Guarantee. The bank further undertakes not to revoke this guarantee during its currency without the previous consent of the PURCHASER.

6.0 The PURCHASER shall have the fullest liberty to lodge their claims for encashments of the guaranteed sum in full or in part, in the manner suitable to them. However payment made for a sum lesser than the guaranteed amount shall not relieve or discharge the bank from their obligations guaranteed hereunder till the purchase order obligations are fully performed by the SELLER or the Bank Guarantee is discharged by the PURCHASER as the case may be and the Bank Guarantee shall continue to be in force till such time.

7.0 The bank further agrees that the decision of the PURCHASER as to the failure on the part of the SELLER to fulfill their obligations and / or as to the amount payable by the bank to the PURCHASER hereunder shall be final, conclusive and binding on the bank.

- 8.0 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, relating to the SELLER'S liabilities.
- 9.0 This guarantee will not be discharged due to the change in the constitution of the bank or the SELLER (S).
- 10.0 Notwithstanding anything contained herein above our liability under this guarantee is restricted to Rs..... (Rupees.....only) and it will remain in force upto .....(date) 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. Unless demand is made on us in writing on or before .....(date) all your rights under the said guarantee shall be forfeited and we shall be relieved and discharged from all liabilities thereafter.
- Dated at ..... this ..... day of .....(month).....(year)

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)

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