Proforma for Bank Guarantee Against Advance Payment

(ON NON – JUDICIAL PAPER OF APPROPRIATE VALUE)

GUARANTEE AGAINST ADVANCE PAYMENT

This Deed of Guarantee made this ________ day of __________ between ______________________ ________________________and wherever the context so required includes its successors and assignees hereinafter called "the Surety" and M/s Numaligarh Refinery Limited an existing company within the companies Act, 1956, having its Registered Office at 122A, G.S. Road, Christianbasti Guwahati-781 005, Assam and wherever the context so required includes its successors and assignees, hereinafter called "the employer".

Whereas M/s _______________________________a company Registered under the companies Act,1956 having its Registered Office at ____________________ ________________(wherever applicable) and wherever the context so requires includes its successors and assignees, hereinafter called "the Contractor" has undertaken to ……………………….on the terms and conditions mentioned in the Letter/Telex/Fax of Intent/ Purchase Order No. ……………………..……. dated ………..…………. addressed by employer to contractor hereinafter referred to as "the said contract"/

And whereas the Employer has agreed to make an advance of Rs. ____________ (Rupees ____________ __________________________________) being ___% (percent) value of the order on acceptance of the order by the contractor hereinafter referred to as "the said advance" to the contractor carrying no interest.

AND WHEREAS the Contractor has agreed with the employer authorizing him to deduct the said advance under the terms of the said contract from the amount that becomes due and payable to the contractor as per the terms and conditions described under the clause "Terms and Conditions of payment" of the purchase order on proper execution of the order.

Now this deed witnesseth that in consideration of the said advance or any balance thereof made by the employer to the Contractor, the surety hereby GUARANTEES the payment of the said advance by the Contractor and undertakes to pay the employer on demand the said sum of Rs. …………..…… subject to the following conditions.

a) "Surety hereby gives an irrevocable guarantee and declares that its liability under this bond shall extend to the payment of the whole amount viz. Rs. _____________paid as advance against acceptance and/ or procurement of the materials as referred to above as "the said advance".

b) This guarantee shall remain in force and effect so long as the said advance or any part thereof remains outstanding and shall expire and become ineffectual only after the recovery of entire sum of Rs. ………………..covered by the Guarantee and upon intimation thereof being given by the employer to the Surety, in which event, the surety shall be discharged by the employer.

c) The Surety shall not be discharged or released from the Guarantee by any arrangement made between the employer and the Contractor with or without the consent of the Surety or by any alteration in the obligations of the parties or by any indulgence forbearance, whether as to payment, performance or otherwise.

d) The guarantee shall come into force the date of contractor receives from the employer the said advance.

e) Notwithstanding anything stated above, the liability of the Surety under the Guarantee is restricted to Rs. …………………..(Rupees ……………………………..) and this guarantee will remain in force up to ……………….in the first instance. However, if the contract for which this guarantee is given is not completed or fully performed the Surety (Bank) hereby agrees to further However, if the contract for which this guarantee is given is not completed or fully performed, the Surety (Bank) hereby agrees to further extend the Guarantee till such time as is required to fulfill the contract.

Place :
Date :

Authorised Signatory of Banker