

# NEELACHAL ISPAT NIGAM LIMITED

Kalinga Nagar Industrial Complex, Duburi – 755026

*( To be executed on non-judicial stamp paper of value not less than Rs.100.00  
bought in the name of the executing bank)*

## BANK GUARANTEE FORMAT FOR SECURITY DEPOSIT

Name and Address of the Bank :  
Bank Guarantee No :  
Date of Expiry :  
Limit of Liability :  
Ref. NINL's Order No. :  
For (Name of Work) :  
Subject : Security Deposit

To

Neelachal Ispat Nigam Limited,  
Kalinga Nagar Industrial Complex,  
At/Po – Duburi,  
Dist. Jajpur, Orissa  
PIN - 755026

In consideration of Neelachal Ispat Nigam Limited (hereinafter called the Company) having agreed to accept this Bond towards the Security Deposit of Rs..... (Rupees.....) under the terms and conditions of the Work Order Vide No:..... dated..... (hereinafter called the said Work Order made between the company and M/s.....(hereinafter called the Contractor) for “..... (Name of Work)” under the said Work Order as a guarantee for the Security of the services rendered/work done in terms of the said Work Order also for the due fulfillment of all the terms and conditions contained in the said Work Order, on furnishing of a Bank Guarantee for Rs..... We.....(hereinafter referred as the said bank) do hereby covenant and agree with you as under.

1. We undertake to indemnify you and keep you indemnified from time to time to the extent of Rs...../(Rupees.....) against any loss or damage or costs caused to or suffered by or that may be caused or suffered by you by reason of any breach or breaches on the part of the Contractor of any of the terms and conditions contained in Work Order and in the event of the Contractor shall make any defaults in carrying out any of the works under the said Work Order or otherwise in the observance and performance of any of the terms and conditions relating thereto, we shall forthwith without any protest or demur pay to you such sum or sums not exceeding in total the said sum of Rs.....(Rupees.....) as may be claimed by you as your losses and/or damages, costs, charges or expenses by reason or such default/defaults on the part of the contractor.

2. Not with standing any thing to the contrary, your decision as to whether the Contractor has made any such default or defaults and the amount or amounts to which you are entitled by reason thereof shall be binding on us and we shall not be entitled to ask you to establish your claim under this Guarantee but will pay the same on demand without any objection.
3. The company shall have the fullest liberty to claim payment of the amount or amounts from time to time under this guarantee, subject to the ceiling limit of Rs.....(Rupees.....) as referred to above and this Guarantee shall not become invalid or infructuous because of the partial demands made by the Company upon us for payment under the circumstances stipulated herein above and this Guarantee shall hold good in favour of the Company to the extent of the balance amounts covered under this Guarantee.
4. This Guarantee shall continue and hold good until it is released by you on the application by the contractor after the Contractor had discharged all its obligations under the said contract and produced a certificate of the due completion of the work under the said contract and submitted a No Demand Certificate. Should it be necessary to extend this Guarantee beyond the said date on account of any extension of time being granted by you to the Contractor under the said contract or otherwise we undertake to extend the period of this Guarantee, and confirm to you in writing the extension of time on your request till such time as may be required.
5. You will have the fullest liberty without our consent and without affecting this Guarantee from time to time to vary any of the terms and conditions of the said agreement or extend time of performance of the Contractor or to postpone for any time or from time to time any of your rights or powers against the contractor and either to enforce or forbear to enforce any of the terms and conditions of the said contract and we shall not be released from our liability under this guarantee by the exercise of your liberty with reference to matters aforesaid or by reason of any time being given to the contractor or any other forbearance, act or omission on your part or any indulgence by you to the Contractor or by any variation or modification of the said contract/ of any other act. Matter or thing whatsoever which under the law relating to sureties would but for the provisions hereto have the effect of so releasing us from our liability hereunder provided always nothing herein contained will enlarge our liability herein beyond the limit of Rs..... (Rupees.....) as aforesaid or extended the period of the Guarantee beyond the said day of.....unless expressly agreed to by us in writing.
6. This Guarantee shall not in any way be affected by your taking or varying or giving up any sureties from the Contractor or any other person, firm or company on its behalf or by the winding up, dissolution, insolvency, reconstruction or death as the case may be, of the Contractor.

In order to give full effect to the Guarantee herein contained you shall be entitled to act as if we were your principal debtors in respect of all your claims against the Contractor hereby guaranteed by us as aforesaid and we hereby expressly waive all our rights of the suretyship and other rights, if any which are in any way inconsistent with the above or any other provisions of this guarantee.

7. Subject to the maximum limit of our liability as aforesaid this Guarantee will cover all your claim or claims against the contractor from time to time arising out of or in relation to the said contract and in respect of which your demand or notice in writing is received by us.

8. This Guarantee and the powers and provisions herein contained are in addition to and not by way of limitation of our substitution for any other guarantee or guarantees thereto given to you by us (whether jointly with other or alone) and now existing un-cancelled and that this Guarantee is not intended to and shall not revoke or limit such guarantee or guarantees.
9. This Guarantee shall not be affected by any change in the constitution of the Contractor or us nor shall it be affected by any change in your constitution or by any amalgamation absorption or reconstruction thereof or therewith but will ensure for and be available to and enforceable by the absorbing or amalgamated, reconstructed company or concern.
10. This Guarantee during its currency shall not be revocable by us except with your previous consent in writing.
11. It shall not be necessary for you to proceed against the Contractor before proceeding against us and the guarantee herein contained shall be enforceable against us, notwithstanding any security which you may have obtained or obtain from Contractor at any time or when proceedings are taken against us hereunder be outstanding or realized.
12. NOTWITHSTANDING ANYTHING CONTAINED HEREIN:
  - A) Our Liability under this Bank Guarantee shall not exceed Rs..... (Rupees.....only)
  - B) \* This Bank Guarantee shall be valid up to.....
  - C) We are liable to pay the Guaranteed Amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before .....(\*date of expiry of Guarantee)
13. We .....(Name of the Bank), hereby agree that any claim due and arising under this guarantee shall be enforceable against our bank's branch at Bhubaneswar (Name & address of the bank) and they shall honour such demand in any case not later than next working day.
14. Issuance of this bank guarantee may also be got confirmed from our controlling branch/ office / higher Authority ( Name & Address)

Dated the.....day of.....201

SIGNATURE WITH SEAL

\* Validity of BG to cover contract period + 3 (three) months (claim period)