

# BANK GUARANTEE PROFORMA FOR SECURITY DEPOSIT

Date of Issue: .....

Effective Date: .....

Value of B. G.: .....

To

Bihar State Mining Corporation Limited,  
Vikas Bhawan (New Secretariat),  
Bailey Road, Patna - 800015

In consideration of Bihar State Mining Corporation Limited incorporated under Companies Act, 2013 having its Registered Office at Vikas Bhawan (New Secretariat), Bailey Road, Patna - 800015 (here in after referred to as 'Seller' which expression shall unless excluded by or repugnant to the subject or context, include its legal representatives, successors and permitted assigns) having agreed to supply coal to M/s ..... having its office at ..... (hereinafter referred to as the 'Purchaser', which term shall unless excluded or repugnant to the subject or context include its legal representatives, successors and permitted assigns), intends to buy coal from the Seller.

**WHEREAS** as per the terms and conditions of the Fuel Supply Agreement (FSA), the Purchaser has to furnish to the Seller a Bank Guarantee to secure its obligations under FSA.

We, ..... (Name of the Bank) a banking company carrying on its business under the Banking Regulation Act, 1949 having its Registered Office / Head Office at ..... and having one of its branches at ..... (hereinafter referred to as "the Bank / the Guarantor" which expression shall unless, repugnant to the context or meaning thereof, include its administrators, successors and assigns) do hereby irrevocably and unconditionally guarantee and undertake to pay Seller at such other place or places as may be directed by the Seller all amounts payable by the Purchaser to the extent of ₹ ...../- (Rupees ..... only) at any time up to 30<sup>th</sup> September, 2022 (Expiry Date) subject to the following terms and conditions:

1. The Guarantor shall pay to the Seller an amount not exceeding ₹ ...../- (Rupees ..... only) on demand and without any demur, reservation, contest, recourse or protest and / or without any reference to the Purchaser. As to whether the occasion or ground has arisen for such demand, the decision of the Seller shall be final.
2. The Seller shall have the fullest liberty without reference to Guarantor and without affecting this guarantee to postpone at any time or from time to time the exercise of all or any of its powers and rights under arrangement made with the purchaser, and the Guarantor shall not be released from this guarantee by any arrangement between the Seller and the Purchaser or any alteration thereof made with or without the consent of the Guarantor or by exercise or non-exercise by the Seller of all or any of its powers and rights against the Purchaser, or any other forbearance, act of omission on the part of the Seller or indulgence granted by or on behalf of the Seller to Purchaser, which under the law relating to surety would but for this provision have the effect of releasing the Bank as Guarantor from their obligations under this guarantee.

3. The guarantee herein contained shall not be determined or affected by the winding up or insolvency of the Purchaser, or withdrawal or cancellation of the nomination of the Purchaser, which under the law relating to surety ship would but for this provision have the effect of releasing the Bank as Guarantor from their obligations under this guarantee.
4. It is also agreed that Seller will be entitled at its option to enforce this guarantee against the Guarantor as principal debtor in the instance not with standing any other security or guarantee that the Seller may have in relation to the Purchaser's liability.
5. The Guarantee will remain valid for a period of 23 months from the date hereof i.e. up to 30/09/2022 (Expiry Date) or till such further period, as may be required and agreed by the Parties and agreed by the Guarantor before the expiry date. The Seller can lodge a claim in writing within 1 year from the said expiry date i.e. on or before 30/09/2023 (Claim Expiry Date).
6. The guarantee shall cover all claims or demand of Seller to the extent of the amount guaranteed ie. ₹ ...../- (Rupees ..... only).
7. The liability of the Guarantor under this guarantee is restricted to ₹ ...../- (Rupees ..... only) and the same will remain in force up to and including 30/09/2022 (Expiry Date) or till such further period as may be required and agreed by the parties and agreed by the Guarantor before said expiry date. The Seller can lodge a claim in writing within 1 year from the said expiry date i.e. on or before 30/09/2023 (Claim Expiry Date).
8. This guarantee can be enforced by the Seller any number of times for their claim or demand to the total extent of ₹ ...../- (Rupees ..... only), as long as it remains in force.
9. Consequently unless a written demand or claim under this guarantee is received by the Guarantor within the period mentioned in clause 5 and 7 hereof, all rights of the Seller shall be forfeited and the Guarantor shall be relieved or discharged from all liabilities. Consequently any written demand or claim under this guarantee should be received by us on or before the said claim expiry date.
10. The guarantee is operative at our Axis Bank Limited, Boring Canal Road Branch, Patna.  
Notwithstanding anything contained hereinabove:
  - a. Our liability under this Agreement shall not exceed ₹ ...../- (Rupees ..... only);
  - b. This Bank Guarantee shall be valid up to 30<sup>th</sup> September, 2022;

- c. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only, if a written claim or demand is served on the Bank on or before 30/09/2023 (Claim Expiry Date); and
- d. Thereafter the Bank shall stand discharged from all its liabilities under this guarantee and all your rights under this guarantee shall stand extinguished irrespective of the fact whether the guarantee in original is refunded back to us or not.

Signature of the Bankers

With date & Rubber Stamp