

**PROFORMA FOR BANK GUARANTEE IN LIEU OF  
BID SECURITY**

(To be stamped in accordance with stamp act)

The non-judicial stamp paper should be in the name of issuing bank

Ref. ....

Bank guarantee no. ....

Date .....

To,

The Chief Engineer (Trans)  
Meghalaya Energy Corporation Ltd.  
Lum Jingshai , Short Round Road,  
Shillong - 793001.

Dear Sir,

In accordance with invitation to bid under your NIT no. .... Dt xx.xx.20xx M/s .....having its registered/head office at .....(hereinafter called the 'bidder') wish to participate in the said bid for.....and you, as a special favour have agreed to accept an irrevocable and unconditional bank guarantee for an amount of .....valid for seven months upto and including .....on behalf of bidder in lieu of the bid deposit required to be made by the bidder, as a condition precedent for participation in the said bid.

We, the ..... bank at.....(local address).having our head office at ..... guarantee and undertake to pay immediately on demand by **Meghalaya Energy Corporation Ltd.** (hereinafter called the owner) the amount of .....(in words & figures)without any reservation, protest, demur and recourse. Any such demand made by said 'owner' shall be conclusive and binding on us irrespective of any dispute or difference raised by the bidder.

This guarantee shall be irrevocable and shall remain valid upto and including xx.xx.20xx. If any further extension of this guarantee is required, the same shall be extended to such required period (not exceeding one year) on receiving instruction from M/s .....on whose behalf this guarantee is issued.

The liability or obligation of the bank under this guarantee bond shall not be affected or suspended by any dispute between the owner and the bidder and the payment under this guarantee bond need not wait till the dispute is decided by the competent court or tribunal or any other authority and that any payment made by the bank to the owner under this guarantee bond shall be deemed to have been rightfully and lawfully made.

The bank also assures that the guarantee bond will not be discharged due to the change in the constitution of the bank or the bidder.

In witness whereof the bank, through its authorized officer, has set its hand and stamp on this .....day of .....20xx at.....

**WITNESS**

Signature .....

Name .....

Official address .....

Signature.....

Name .....

Designation with bank stamp .....

Attorney as per

Power of attorney no. ....

Dated.....

**PROFORMA OF BANK GUARANTEE FOR  
CONTRACT PERFORMANCE**

(To be stamped in accordance with stamp act)

Ref. ....

Bank guarantee no. ....

Date .....

To

The Chief Engineer (Trans)  
Meghalaya Energy Corporation Ltd.  
Lum Jingshai , Short Round Road,  
Shillong - 793001.

Dear Sir,

In consideration of Meghalaya Energy Corporation Ltd. (MeECL) (hereinafter referred to as the 'owner', which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/s ..... with its registered/head office at .....(hereinafter referred to as 'contractor' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a contract by issued of owner's letter of award no.....dated..... valued at ..... for ..... (scope of contract) and the contractor having agreed to provide a contract performance guarantee for the faithful performance of the entire contract equivalent to .....being 10 %(ten per cent) of the said value of the contract to the owner.

We .....(name & address) having its head office at.....(hereinafter referred to as the 'bank', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators , executors and assigns) do hereby guarantee and undertake to pay the owner, on demand any and all monies payable by the contractor to the extent of Rs.....as aforesaid at any time up to .....(days/month/year) without any demur, reservation, contest, recourse or protest and/or without any reference to the contractor.

Any such demand made by the owner on the bank shall be conclusive and binding notwithstanding any difference between the owner the contractor or any dispute pending before any court, tribunal, arbitrator or any other authority. The bank undertakes not to revoke this guarantee during its currency without previous consent of the owner and further agrees that the guarantee herein contained shall continue to be enforceable till the owner discharges this guarantee.

The owner shall have the fullest liberty without affecting in any way the liability of the bank under the guarantee, from time to time to extend the time for performance or the contract by the contractor.

The owner 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 contractor, and to exercise the same at any time in any manner, and either to enforce or to for bear to enforce any covenants, contained or implied, in the contract between the owner and the

contractor or any other course or remedy or security available to the owner. The bank shall not be released to its obligations under these presents by any exercise by the owner of its liberty with reference to the matters aforesaid or any of them or by reason of any other act of omission or commission on the part of the owner or any other indulgences shown by the owner or by any other matter or thing what so ever which under law would, but for this provision have the effect of relieving the bank.

The bank also agrees that the owner at its option shall be entitled to enforce this guarantee against the bank as a principal debtor, in the first instance without proceeding against the contractor and not withstanding any security or other guarantee the owner may have in relation to the contactor’s liabilities.

Notwithstanding anything contained herein above our liability under this guarantee is restricted to Rs..... (Rupees.....) and it shall remain in force upto and including .....and shall be extended from time to time for such periods as may be advised by the owner who is the beneficiary under validity period, this shall be treated as a claim by the owner on the bank.

The liability or obligation of the bank under this guarantee bond shall not be affected or suspended by any dispute between the owner and the bidder and the payment under this guarantee bond need not wait till the dispute is decided by the competent court or tribunal or any other authority and that any payment made by the bank to the owner under this guarantee bond shall be deemed to have been rightfully and lawfully made.

The bank also assures that the guarantee bond will not be discharged due to the change in the constitution of the bank or the bidder.

In witness whereof the bank, through its authorized officer, has set its hand and stamp on this .....day of .....20xx at.....

**WITNESS**

Signature .....  
Name .....  
Official address .....

Signature.....  
Name .....  
Official address .....  
(Designation with bank stamp)

Attorney as per  
Power of attorney no. ....  
Dated .....

**NOTE:**

1. This sum shall be 10 % (ten per cent) of the contact price.
2. The date will be 90(ninety) days after the end of the contract period.
3. The stamp papers of appropriate value shall be purchase in the name of issuing bank.

**PROFORMA OF EXTENSION OF BANK GUARANTEE**

(To be stamped in accordance with stamp act)

Ref. ....

Date .....

To,  
The Chief Engineer (Trans)  
Meghalaya Energy Corporation Ltd.  
Lum Jingshai , Short Round Road,  
Shillong - 793001.

Sub: Extension of bank guarantee no. .... for Rs..... favouring yourselves,  
expiring on.....on account of M/s..... in respect of contract  
no.....dated..... (hereinafter called original bank guarantee).

Dear Sir,

At the request of M/s ....., we..... bank, branch office at  
..... and having its head office at ..... do hereby extend our  
liability under the above mentioned bank guarantee no. .... dated..... for  
a further period of ..... (years/months) from ..... to expire  
on..... . Except as provided above, all other terms and conditions of the original  
bank guarantee no. ....dated .....shall remain unaltered and  
binding.

Please treat this as an integral part of the original bank guarantee to which it would be attached.

Yours faithfully,

For.....  
Manager/agent/accountant  
Power of attorney no. ....  
Dated.....

SEAL OF BANK

NOTE: The non-judicial stamp paper of appropriate value shall be purchased in the name  
of the bank who has issued the bank guarantee.

**PROFORMA OF LETTER OF UNDERTAKINGS**  
(To be submitted by the bidder along with his bid)  
(To be executed on non-judicial paper of requisite value)

Ref.: \_\_\_\_\_ Date: \_\_\_\_\_

To,  
The Chief Engineer (Trans)  
Meghalaya Energy Corporation Ltd.  
Lum Jingshai, Short Round Road,  
Shillong - 793001.

Dear Sir,

1. I/We\* have read and examined the following bidding documents relating to supply and erection works under .....

- (a) Notice inviting tender
- (b) Condition of contract for supply & erection, containing section, 'invitation to bid (INV)', 'instruction to bidder (INB)', 'general terms & conditions of contract (GCC)' and erection conditions of contract(ECC) along with its annexures.
- (c) Special conditions of contract along with its annexures.
- (d) Bid proposal sheets(BPS).
- (e) Technical specifications(TS).
- (f) Technical data sheets(TDS) .

2. I/We\* hereby submit our bid and undertake to keep our bid valid for a period of 6(six) calendar months from the date of bid opening. I/We\* hereby further undertake that during the said period I/we\* shall not vary/alter or revoke my/our bid.

This undertaking is in consideration of **Meghalaya Energy Corporation Ltd. (MeECL)** agreeing to open my bid and consider and evaluate the same for the purpose of award of work in terms of provisions of clause entitled 'award of contract' section INB conditions of contract in the bidding documents.

Should this bid be accepted, I/we\* also agree to abide by and fulfill all the terms & conditions of provisions of the above mentioned bidding documents.

Signature along with seal of Co.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,  
(Duly authorised to sign the tender on behalf of the contractor)  
Name.....  
Designation.....  
Name of Co.....(in block letters)

**WITNESS**

Signature ..... Date & postal address  
Date.....  
Name & address.....  
Telephone no. & fax no. ....

\*Strike out whichever is not applicable.

**PROFORMA OF APPLICATION FOR PAYMENT**

To,  
The Chief Engineer (Trans)  
Meghalaya Energy Corporation Ltd.  
Lum Jingshai Short Round Road,  
Shillong - 793001

Dear Sir,

**APPLICATION FOR PAYMENT**

1. Pursuant to the contract no. ...., dated..... for .....the undersigned hereby applies for payment of the sum of..... (specify the amount).
2. The above amount is on account of: (check whichever applicable)
  - Progressive payment against receipt of materials at site(schedule\*\*)
  - Progressive payment against erection(schedule\*\*)
  - Inland transportation(schedule\*\*)
  - Inland insurance
  - Price adjustment
  - Extra work not specified in contract  
(Ref. contract change order No.....)
  - Other (specify)
  - Final payment (schedule\*\*)as detailed in the attached schedule(s) which form an integral part of this application
3. The payment claimed is as per item(s) no(s). .....of the payment schedule annexed to the above-mentioned contract.
4. The application consists of this page, a summary of claim statement (schedule\*\*), and the following signed schedule.
  1. ....
  2. ....The following document are also enclosed
  1. ....
  2. ....

Signature of contractor/  
authorised signatory

\* Application for payment will be made to ‘engineer’ as to be designated for this purpose at the time of award of the contract.  
\*\* Proforma for the schedules will be mutually discussed and agreed to during the finalization of the contract agreement.

**PROFORMA OF ‘AGREEMENT’\***

(To be executed on non-judicial stamp paper)

This agreement made this..... day of .....two thousand ..... between Meghalaya Energy Corporation Ltd.(MeECL), having its registered office at Shillong (hereinafter referred to as ‘owner’, which expression shall include its administrators, successors, executors and permitted assigns) of the one part and ..... [hereinafter referred to as the ‘contractor’ (name of the contracting co.)] which expression shall include its administrators, successors, executors and permitted assigns) of the other part.

WHEREAS Meghalaya Energy Corporation Ltd., invited bids for supply and erection works for ..... as per NIT no. .... Dt xx.xx.200x

AND WHEREAS..... had participated in the above referred bidding vide their proposal no. .... dated.....

AND WHEREAS Meghalaya Energy Corporation Ltd. awarded the contract to ..... on terms and conditions of the documents referred to therein, which have been acknowledged by..... resulting into a ‘contract’.

**NOW THEREFORE THIS DEED WITNESSETH AS UNDER:**

**1.0 Article**

**1.1 Award of contract**

Meghalaya Energy Corporation Ltd. has awarded the contract to ..... for the work of..... on the terms and conditions contained in its letter of award no. ....dated..... and the documents referred to therein. The award has taken effect from aforesaid letter of award. The terms and expressions used in this agreement shall have the same meaning as are assigned to them in the ‘contract documents’ referred to in the succeeding article.

**2.0 Contract documents**

2.1 The contract shall be performed strictly as per the terms and conditions stipulated herein and in the following documents attached herewith (hereinafter referred to as ‘contract documents’). Meghalaya Energy Corporation Ltd.’s bidding documents issued vide its letter no.....

- (i) consisting of invitation to bid, instructions to bidders, general, erection & special & conditions of contract, bid proposal sheets and all other sections entitled ‘conditions of contract’ including all amendments issued vide its letter(s) no.(s) ..... dated.....(volume-, IA &IB)
- (ii) Technical specification including amendments issued vide its letter no. .... dated..... (volume-II)
- (iii) Technical data sheets (volume-III)
- (iv) Contractor’s proposal no. .... dated ..... along with proposal sheets, data requirements, payment terms and work schedules.
- (v) Agreed minutes of the meeting held on ..... between Meghalaya Energy Corporation Ltd. and the contractor.
- (vi) Meghalaya Energy Corporation Ltd.’s letter of award no. .... dated ..... duly acknowledged by the contractor.
- (vii) Quality plans for manufacturing & field activities entitled under quality plan.
- (viii) PERT network.

All the aforesaid contract documents shall form an integral part of this agreement, in so far as the same or any part conform to the bidding documents (Vol. I, IA, IB, II & III) and what has been

specifically agreed to by the owner in its letter of award. Any matter inconsistent therewith, contrary or repugnant thereto or any deviations taken by the contractor in its 'proposal' but not agreed to specifically by the owner in its letter of award shall be deemed to have been withdrawn by the contractor. For the sake of brevity, this agreement along with its aforesaid contract documents shall be referred to as the 'agreement'.

**3.0 Conditions & covenants**

3.1 The scope of contract, consideration, terms of payment, price adjustment, taxes wherever applicable, insurance, liquidated damage, performance guarantees and all other terms and conditions are contained in Meghalaya Energy Corporation Ltd.'s letter of award no. .... dated..... read in conjunction with other aforesaid contract documents. The contract shall be duly performed by the contractor strictly and faithfully in accordance with the terms of the agreement.

3.2 The scope of work shall also include supply and installation of all such items which are not specifically mentioned in the contract documents, but which are needed for successful, efficient, safe & reliable operation of the equipment.

**3.3 Time schedule**

3.3.1 Time is the essence of the contract and schedules shall be strictly adhered to. The contractor shall perform the work in accordance with the agreed schedule as given in contract documents.

**3.4 Quality plans**

3.4.1 The contractor is responsible for the proper execution of the quality plans as in technical specification, section - IV. The owner will also undertake quality surveillance and quality audit of the contractor's/sub-contractor's works, systems and procedures and quality control activities. The contractor further agrees that any change in the quality plan will be made only with the owner's approval. The contractor shall also perform all quality control activities, inspection and tests agreed with the owner to demonstrate full compliance with the contract requirements.

3.4.2 The contractor also agrees to provide the owner with the necessary facilities for carrying out inspection, quality audit and quality surveillance of contractors and its sub-contractor's quality assurance systems and manufacturing activities.

These shall include but not limited to the following:

- (a) Relevant plant standards, drawing and procedures;
- (b) Detailed quality assurance system manuals for manufacturing activities.,
- (c) Storage procedures.

3.4.2 It is expressly agreed to by the contractor that the quality tests and inspection by the owner shall not in any way relieve the contractor of its responsibilities for quality standards, and performance guarantee and their other obligations under the agreement.

3.4.3 The contractor agrees to submit quality assurance documents for the package to the owner for review and record after completion and within three weeks of dispatch of materials. The package will include the following:

- (i) Factory test results inspection reports for testing required by this contract or applicable codes and standards.
- (ii) Two copies of inspection reports duly signed by quality assurance personnel of both the owner and the contractor.
- (iii) Report of the rectification works where and if applicable.

3.5 It is expressly agreed to by the contractor that notwithstanding the fact that the contract is termed as supply-cum-erection contract or indicates the break-up of the contract consideration, for convenience of operation and for payment of sales tax on supply portion, it is in fact one composite contract on single source responsibility basis and the contractor is bound to perform the total contract in its entirety and non-performance of any part of portion of the contract shall be deemed to be a breach of the entire contract.

3.6 The contractor guarantees that the equipment supplied under the contract shall meet the ratings and performance parameters as stipulated in the technical specifications (volume-II) and in the event of any deficiencies found in the requisite performance figures, the owner may at its option reject the equipment package or alternatively accept it on the terms and conditions and subject to levy of the liquidated damages in terms of contract documents. The amount of liquidated damages so leviable shall be in accordance with the contract documents and without any limitation

3.7 It is further agreed by the contractor that the contract performance guarantee shall in no way be construed to limit or restrict the owner’s right to recover the damages/compensation due to short-fall in the equipment performance figures as stated in para 3.6 above or under any other clause of the agreement. The amount of damages/compensation shall be recoverable either by way of deduction from the contract price, contract performance guarantee and /or otherwise.

The contract performance guarantee furnished by the contractor is irrevocable and unconditional and the owner shall have the powers to invoke it notwithstanding any dispute or difference between the owner and the contractor pending before any court tribunal, arbitrator or any other authority.

3.8 This agreement constitutes full and complete understanding between the parties and terms of the presents. It shall supersede any prior correspondence terms and conditions contained in the agreement. Any modification of the agreement shall be effected only by a written instrument signed by the authorised representative of both the parties.

**4.0 Settlement of disputes**

4.1 It is specifically agreed by and between the parties that all the differences or disputes arising out of the agreement or touching the subject matter of the agreement shall be decided by process of settlement & arbitration as specified in clause 46 & 47 of the general conditions of contract and the provisions of the Indian arbitration act, 1940 shall apply and SHILLONG courts alone shall have exclusive jurisdiction over the same.

**4.2 Notice of default**

Notice of default given by either party to the other party under agreement shall be in writing and shall be deemed to have been duly and properly served upon the parties hereto if delivered against acknowledgment or by telex or by registered mail with acknowledgment due addressed to the signatories at the addresses mentioned herein above.

IN WITNESS WHEREOF, the parties through their duly authorised representatives have executed these presents (execution where of has been approved by the competent authorities of both the parties) on the day, month and year first above mentioned at Shillong.

**WITNESS:**

1. .... (Owner’s signature)  
2. .... (Name & designation with seal)

1. .... (Contractor’s signature)  
2. .... (Name & designation with company’s stamp)

\* Applicable in case of single award is placed on one party on supply-cum-erection basis. In case ‘two separate awards are placed on single party/two different parties this clause is to be modified suitably while signing the contract agreement to be signed separately for two awards.

**DRAFT PROFORMA OF BANK GUARANTEE FOR  
FINAL PAYMENT(PAYMENT OF THE BALANCE 10% OF THE EX- WORKS PRICE  
COMPONENT EXCLUDING THAT OF BOLTS & NUTS)**

(To be stamped in accordance with stamp act)

Ref. ....

Bank guarantee no. ....

Date .....

To,  
The Chief Engineer (Trans)  
Meghalaya Energy Corporation Ltd.  
Lum Jingshai, Short Round Road,  
Shillong - 793001.

Dear Sir,

In consideration of Meghalaya Energy Corporation Ltd.(MeECL) (hereinafter referred to as the 'owner', which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/s ..... (hereinafter referred to as 'contractor' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a contract by issue of owner's letter of award No..... dated .....20xx and the same having been acknowledged by the contractor, resulting in a contract bearing no. ....dated .....20xx valued at Rs. .... (Rupees .....only) for supply of all equipments and materials for ..... (supply-cum-erection contract). The owner having agreed to make payment of the balance 10% of the ex-works price component excluding that of bolts & nuts against the contract, and the contractor having agreed to provide an unconditional & irrevocable bank guarantee for the faithful performance of the contract equivalent to Rs..... being 10 %(ten per cent) of the stated value of the contract to the owner.

We .....(name & address) having its head office at..... (hereinafter referred to as the 'bank', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators , executors and assigns) do hereby guarantee and undertake to pay the owner, on demand any and all monies payable by the contractor to the extent of Rs. .... ( Rupees ..... only) as aforesaid at any time up to ..... without any demur, reservation, contest, recourse or protest and/or without any reference to the contractor.

Any such demand made by the owner on the bank shall be conclusive and binding notwithstanding any difference between the owner the contractor or any dispute pending before any court, tribunal, arbitrator or any other authority. The bank undertakes not to revoke this guarantee during its currency without previous consent of the owner and further agrees that the guarantee herein contained shall continue to be enforceable till the owner discharges this guarantee.

**ANNEXURE-VII**

**Page 2 of 2**

The owner shall have the fullest liberty without affecting in any way the liability of the bank under the guarantee, from time to time to extend the time for performance or the contract by the contractor. The owner 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 contractor, and to exercise the same at any time in any manner, and either to enforce or to for bear to enforce any covenants, contained or implied, in the contact between the owner and the contractor or any other course or remedy or security available to the owner. The bank shall not be released to its obligations under these presents by any exercise by the owner of its liberty with reference to the matters aforesaid or any of them or by reason of any other act of omission or commission on the part of the owner or any other indulgences shown by the owner or by any other matter or thing what so ever which under law would, but for this provision have the effect of relieving the bank.

The bank also agrees that the owner at its option shall be entitled to enforce this guarantee against the bank as a principal debtor, in the first instance without proceeding against the contractor and not withstanding any security or other guarantee the owner may have in relation to the contactor's liabilities.

Notwithstanding anything contained herein above our liability under this guarantee is restricted to Rs..... (Rupees .....only) and it shall remain in force upto and including ..... and shall be extended from time to time for such period (not exceeding one year), as may be desired M/s ..... on whose behalf this guarantee has been given.

Dated this.....day of .....20xx at.....

**WITNESS**

Signature .....  
Name .....  
Official address .....

Signature .....  
Name .....  
Designation with bank stamp .....

Attorney as per  
Power of attorney no. ....  
Dated .....

**NOTES:**

- \* This sum shall be 10 %( ten) per cent of the contact price.
- \*\* The date will be 90(ninety) days after the end of warranty period as specified in the contract.

(The stamp papers of appropriate value shall be purchase in the name of issuing bank).