

Annexure-E

Performa for Bank Guarantee toward Security Deposit

(To be submitted on Rs.100/- Non-Judicial stamp paper and the non judicial stamp paper should be on name of the issuing bank)

Ref:

Bank Guarantee No:

Date:

To,

NMDC Ltd.
Donimalai Iron Ore Mines
Donimalai Dist. Bellary
Karnatka.

Dear Sir,

In terms of sale order no: _____ of the NMDC Limited ,(herein after referred to as the “Seller” which expression shall unless repugnant to the context or meaning thereof include its successor, administrator and assigns) having issued to M/s ----- (Name & Address of the successful bidder) with its registered /Head office at ----- (herein after referred to as the “Buyer” which expression shall unless repugnant to the context or meaning thereof include its successor, administrator, executors and assigns),a sale order no. ____ dated _____ and the same having been unequivocally accepted by the Buyer, Buyer has agreed to provide a security deposit, to indemnify the seller from any financial losses during performance of sale contract & timely completion of lifting of material, Equivalent to 10 % (Ten Percent) of sale value..

Upon the specific request of the said buyer, We, _____(Name & Address of bank) at _____ having our head office _____ guarantee and undertake to pay you immediately on demand by NMDC Ltd, Donimalai Iron ore Mines Donimalai, amount of _____ (in figure and words) without any reservation, protest, demur and recourse. Any such demand made by NMDC Ltd. Donimalai shall be conclusive and binding on us irrespective of any dispute or difference between the parties.

AND IT IS FURTHER AGREED AND DECLARED by the Bank that the liability of the Bank to pay the said amount whenever called upon by NMDC in part/full as deemed fit by NMDC shall be irrevocable and absolute and that the Bank will not be entitled to dispute or inquire into whether NMDC has become entitled to encash the said B.G. under the terms of the said contract or not or entitled to claim the said amount or not, or whether our Client has committed any breach or not or whether NMDC is entitled to recover any damages from our Client for breach of terms thereof or not.

This Bank Guarantee shall be valid and remain in full force till----- or as extended by the Bank from time to time upon the request of our client and any claim or demand for encashment of the B.G. shall be served on us on or before-----, i.e. **30 days beyond the validity period.**

We _____ (Bank) also agree and convenient that NMDC at its option shall be entitled to enforce/encash this Bank Guarantee against us as principal debtor in the first instance without proceeding against our client notwithstanding any security or other guarantee that NMDC may have.

Notwithstanding anything contained herein above:

- i) Our liability under this Bank Guarantee shall not exceed Rs. ----- /-(Rupees -----
----- Only)
- ii) This Bank Guarantee shall be valid up to ----- and
- iii) We are liable to pay the guaranteed amount or any part thereof under this bank guarantee only and only if served upon a written claim or demand on or before ----- (30 days beyond the validity period).

Dated _____ day of _____ 2010

For and on behalf of
_____(Bank)