

Bank Guarantee Format

Form No. _____

The Regional Controller of Mines,
Indian Bureau of Mines,

Dear Sirs,

Guarantee No. _____
Amount of Guarantee Rs. _____
Guarantee Period from _____ to _____
Last date for lodgment of claim _____

This Deed of guarantee executed on ____ Day of _____, 20__ by _____ (bank name) constituted under the _____ Act having its central office at _____ and amongst other places, a branch at _____ (hereinafter referred to as the bank) in favour of the Regional Controller of Mines, Indian Bureau of Mines, _____ (hereinafter referred to as the Beneficiary) for an amount not exceeding Rs. _____ (Rs. _____) at the request of _____ (hereinafter referred to as the Contractor/s)

This guarantee is issued subject to the condition that the liability of the bank under this guarantee is limited to maximum of Rs. _____ (Rs. _____ only) and the guarantee shall remain in full force up to _____ (date of expiry) and cannot be revoked on or before _____ (last date of claim) by the Regional Controller of Mines, Indian Bureau of Mines, _____ in writing.

SUBJECT TO AS AFORESAID

(Main guarantee matter may be typed hereafter)

For (Bank)
Seal
Branch Manager
(_____ Branch)

BANK GUARANTEE AND CO-ACCEPTANCE BOND

1. Agreement on production of a Bank guarantee for Rs. _____ (Rs. _____ only) under rule 23F of MCDR, 1988.
2. We _____ (bank name), at the request of Shri _____ S/o Shri _____ (lessee) do hereby undertake to pay to the Regional Controller of Mines, Indian Bureau of Mines _____ or any other officer authority nominated by the Controller General, Indian Bureau of Mines an amount not exceeding Rs. _____ (Rs. _____ only) against any loss or damage caused to or suffered or would be caused to or suffered by the Government or towards non compliance of provisions of Rule 23A,B&23E of MCDR, 1988 i.e. Mine closure plan/progressive mine closure plan approved in respect of the mining lease for _____ (ore/ores) over an area of _____ Hects. granted by State Government to Shri/Ms _____ S/o _____ (lessee) situated in _____ Village _____ Taluka _____ District _____ State by reason of any breach of the said lessee of any of the terms or conditions contained in the Mine closure plan/progressive mine closure plan.

(Bank) Seal
Branch Manager,
_____ Branch.

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3. We, _____ (bank) do hereby undertake to pay the amount due and payable under this guarantee without any demure, to the authority merely on a demand from the Regional Controller of Mines, Indian Bureau of Mines _____ or any other authorized by the Controller General, Indian Bureau of Mines stating that the amount claimed is due by way of loss or loss of damage caused to or would be caused to or suffered by the government by reason of breach by the said lessee or any of the terms or conditions contained in the mining plan/mining scheme or by reason of lessee's failure to perform the said mine closure plan/progressive mine closure plan. Any such demand made on the bank under this guarantee. However our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____ (Rs _____ only).

4. We undertake to pay to the authority on a demand from the Regional Controller of Mines, Indian Bureau of Mines, _____ or any other officer authorized by the Controller General, Indian Bureau of Mines or Govt. of India any money so demanded notwithstanding any dispute or disputes raised by the lessee in any suit or proceedings pending before any court or tribunal relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this bond shall be valid discharge of our liability for payment there under and lessee shall have no claim against us for making such payment.

5. We, _____ (bank name), further agree that the guarantee herein contained shall remain in full force and effect during the period up to the end of the Mining plan/Scheme of Mining period of five years that would be taken for performance of the said Agreement and that shall continue to be enforceable till all the dues of the Govt. under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged till Regional Controller of Mines, Indian Bureau of Mines, _____ or any other officer authorized by the Controller General, Indian Bureau of Mines certifies that the terms and conditions of the said progressive mine closure plan/final mine closure plan have been fully and properly carried out by the said lessee and accordingly discharge this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before _____, we shall be discharged from all liability under this guarantee thereafter.

6. We further agree that Regional Controller of Mines, Indian Bureau of Mines, _____ or any other officer authorized by the Controller General, Indian Bureau of Mines shall have fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said agreement or to extend time of performance by the said lessee from time to time or to postpone for any time or from time to time any powers exercisable by Regional Controller of Mines, _____ against the said lessee and to forbear or enforce any of the terms and conditions relating to the said agreement, we (bank) shall not be relieved from our liability by reason of any such variation or extension being granted to the said lessee or for any forbearance, act or omission on the part of Regional Controller of Mines, Indian Bureau of Mines, _____ or any indulgence by Regional Controller of Mines, Indian Bureau of Mines, _____ to the said lessee or any manner or thing whatsoever which under the law relating to sureties, would but this provision have effect of so relieving us.

(Bank) Seal

Branch Manager,
_____ Branch

7. This guarantee will not be discharged due to change in constitution of the bank or lessee.
8. We, _____ (bank name), lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Regional Controller of Mines, Indian Bureau of Mines, _____ in writing.
9. Notwithstanding anything contained herein :
 - a) Our liability under this Bank guarantee shall not exceed Rs. _____ (Rs. _____ only)
 - b) The bank guarantee shall be valid up to _____
 - c) The period of bank guarantee submitted is valid for the period of the proposals given in the mining plan/Scheme of mining/PMCP etc. We are liable to pay the guarantee amount or any part thereof under this Bank guarantee and only if served upon us a written claim or demand on or before.
10. If the bank guarantee is to be en-cashed through the court, in that case the (city where Regional office, IBM is located) court will have jurisdiction.
11. In witness whereof, the bank through its authorized officer has set its hand and stamp on this ____ Day of _____ 20__ at _____.

(Bank) Seal

Branch Manager,

_____ Branch

FOLLOWING POINTS NEED TO BE CONSIDERED WHILE SUBMITTING THE BANK GUARANTEE

- a) The bank guarantee should be made on stamp paper with minimum value of Rs. 200/- in Maharashtra or as per respective states Stamp Act.
- b) Each page of bank guarantee should be signed by two bank officers indicating clearly their name, designation and code number.
- c) Item No.2 of the bank guarantee should clearly indicate the name of the Mine, ML No., Survey.No./Khasra No., Village, Taluka, Dist. and State etc.
- d) The period of bank guarantee should be such that it is co-terminus with the period of approved proposals in the mining plan/scheme of mining as the case may be.
- e) Original bank guarantee should be submitted separately with the forwarding letter while submitting final bound copies of MP/SoM/PMCP and a photocopy should be kept in each bound copy of PMCP.
