

FORMAT OF BANK GUARANTEE TOWARDS EARNEST MONEY

GUARANTEE BOND

(To be used by all scheduled Banks)

In consideration of M/s. Garden Reach Shipbuilders & Engineers Limited, 43/46 , Garden Reach Road , Kolkata -700024 (hereinafter called “the Buyer”) having agreed to exempt M/s..... having its registered office at (hereinafter called “the party”) from the demand under the terms and conditions contained in the Tender No..... dated (hereinafter called “the Said Tender”) of Security Deposit for the due fulfillment by the said party’s of the terms and conditions contained in the said Tender on production of a Bank Guarantee for Rs..... (Rupees.....only) we.....Bank Limited (hereinafter referred to as “the Bank”) do hereby undertake to pay to the Buyer an amount not exceeding Rs..... (Rupees.....only) against any loss of any breach by the said Party of any of the terms & conditions contained in the said Tender.

2. We, Bankdo hereby undertake to pay the amounts due and payable under this Guarantee without any demur, merely on a demand from the Buyer stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Buyer by reason of any breach by the said Party of any of the terms and conditions contained in the said Tender or by reason of Party’s failure to perform the said Tender. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee.
3. We, Bank Limited further agree to the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of said Tender / Order and that it shall continue to be enforceable till all the dues of the Buyer under or by virtue of the said Tender / Order have been fully paid and its claims satisfied or discharged or till the Managing Director , Garden Reach Shipbuilders & Engineers Limited ,certifies that the terms and conditions of the said Tender / Order have been fully & properly carried out by the said party and accordingly discharges the Guarantee. Unless a demand or claim under this Guarantee is made on us in writing on or before the we shall be discharged from all liability under this Guarantee thereafter.
4. We, Bank Limited further agree with the Buyer that the Buyer shall have the 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 Tender / Order or to extend time of performance by the said Party from time to time or to postpone for any time or from time to time any of the powers exercisable by the Buyer against the said Party and to forbear or enforce any of the terms and conditions relating to the said Tender / Order and we shall not be relieved from our liability by reason of any such variation, or extensions being granted to the said Party or for any forbearance , act or omission on the part of the Buyer or any indulgence by the Buyer to the said Party or by any such matter of thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

5. We Bank Limited lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Buyer in writing.
6. Notwithstanding anything contained herein above , the liability of the Guarantor under this Guarantee is restricted to Rs..... (Rupees.....only), and that this Guarantee shall remain in force until its expiry on the(date), unless a suit or action to enforce a claim under this Guarantee is made against the Guarantor within six months from the aforesaid date of expiry , all the rights of beneficiary under the said Guarantee shall be forfeited and the Guarantee shall be released and discharged from all liabilities thereof.

For Bank Limited

Dated the day of..... 20