

FORMAT NO. QS/03/0019

PROFORMA OF BANK GUARANTEE TOWARDS WARRANTY OBLIGATION AND SATISFACTORY PERFORMANCE

THIS DEED OF GUARANTEE made thisday of BETWEEN (hereinafter called " THE BANK ") which expression shall unless excluded by or repugnant to the context , be deemed to include its successors in office and assigns of the ONE Part and GARDEN REACH SHIPBUILDERS AND ENGINEERS LIMITED , having their Head Office at 43/46 , Garden Reach Road , Calcutta – 700024 (hereinafter called " THE BUYERS ") which expression shall unless excluded by or repugnant to the context be deemed to include their successors in Office and assigns of the part .

WHEREAS Messers having its registered office at (hereinafter called "THE SELLER") have accepted an Order No. for supply of from the Buyer to manufacture and deliver the same to Buyer in good condition.

AND WHEREAS it is one of the terms of the said order that the seller shall furnish to the Buyer a Bank Guarantee comprising % of the value of the order amounting to Rs. (Rupees.....) only for the satisfactory performance of the equipments supplied against the said order at least for a period of from the date of supply i. e. from

AND WHEREAS the Buyer has agreed to accept such Bank Guarantee.

NOW THIS INDENTURE WITNESSETH THAT in consideration of the premise the Bank hereby unequivocally undertakes and agrees with the Buyer to pay to the Buyer upon demand in writing whenever required so by them to do and within a fortnight from date of such

demand sum or sums not exceeding in the whole of Rs. (Rupees.....) only as may become payable to the Buyer by the seller by virtue of or arising out of the Terms and Conditions of the said Order.

Provided it is hereby expressly stipulated and agreed that if any question as to whether any sum has become payable by the seller to the buyer by virtue of or arising out of the said order, the decision of the Buyer will be final and conclusive and the Guarantee herein contained shall not be revocable by notice or by reason of dissolution or winding up of the business of the seller or any change in the constitution or composition of the seller's business and the liability of the bank under this presents shall not be impaired in any way by any extension of time or alteration made given conceded in the conditions of the said order or any other indulgence given by the buyer or by reasons of any failure on the part of the Buyer to enforce any of their remedies against the sellers and / or by reasons of failure on the part of the Buyer to observe or perform any of the stipulation contained in the said order and to be observed or performed by the sellers or by

any other dealings between the Buyer and Seller whether any of the above takes place with or without the knowledge of the Bank and that the Guarantee herein contained shall remain in full force and virtue only . All claims and demands of the Buyer arising out of or in connection with the said order have been fully paid and satisfied PROVIDED ALWAYS AND IT IS HEREBY AGREED BETWEEN THE PARTIES THAT a Bank's liability under this

Indenture shall remain in full force from the date of issue of the Guarantee till.....

and is limited to a sum of Rs.
(Rupees.....

.....) only.

NOTWITHSTANDING anything stated above our liability under the Guarantee is restricted toRs..... (Rupees.....) only. Our Guarantee shall remain in force upto.....and unless a claim or demand in writing is made on the bank within 6 months from the date of expiry of the Bank Guarantee the bank shall be released and discharged from all liabilities thereunder.

It is the distinct condition of the Bank Guarantee that no suit or action for the purpose of enforcing any claim in respect of the Bank Guarantee shall be instituted in any Court other than that situated in Kolkata City, West Bengal State, India and the parties agree to exclusively submit to such jurisdiction.

Date :200

(S E A L OF THE BANK)