

 <p>HINDUSTAN SHIPYARD LTD. (A GOVT. OF INDIA UNDERTAKING) AN ISO 9001 COMPANY GANDHIGRAM, VISAKHAPATNAM-530 005,INDIA</p>	<p>Telephone: +91-9493792218 Telefax: +91-891-2577502/2577356 Email: purchase.hsl@gov.in Web: www.hsl.nic.in</p>
<p>Regd. office: Ganghigram Visakhapatnam-530 005, India.</p>	

**PROFORMA OF BANK GUARANTEE TO BE EXECUTED FOR PAYMENT OF
ADVANCE AGAINST CONTRACT / AGREEMENT DT. _____**

1. In consideration of **M/s. Hindustan Shipyards Ltd.**, Visakhapatnam having agreed under the terms & conditions of an agreement _____ Dt. _____ made between Hindustan shipyard ltd., and (hereinafter called "the purchasers") and to make at the request of _____ (hereinafter called the 'said contractors') an advance of Rs. _____ (rupees _____ only) for utilizing it for the purpose of the said agreement on production of a bank guarantee we (name of the bank) _____ do hereby guarantee the due recovery by Hindustan shipyard ltd., of the said contractor fails to utilise the said advance for the purpose of the aforesaid agreement and / or the said advance together with interest thereon as aforesaid is not fully recovered by Hindustan shipyard ltd., we (name of the bank) _____ hereby unconditionally and irrevocably undertake to pay Hindustan shipyard ltd., to the extent of Rs. _____ (rupees _____ only) plus interest at 20% per annum.

2. We, _____ bank ltd., do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Hindustan shipyard ltd., with due intimation to the contractor stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Hindustan shipyard ltd., by reason of any breach by said contractor(s) of any of the terms or conditions contained in the said agreement or by reason of the contractor(s) failure to perform the said agreement. any such demand made on the bank shall be conclusive as regards the amount due and payable by the bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding rs. _____ plus interest as aforesaid.

3. We, _____ (bank, ltd, further agree that the guarantee herein contained shall remain in full force and effect) during the period that would taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the Hindustan shipyard ltd., under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged or till c.c.a. of Hindustan shipyard ltd., certifies that the terms and conditions of the said agreement have been fully and properly carried out by the said contractor(s) and accordingly discharge the guarantee unless amend or claim under this guarantee is made to us in writing on or before the _____ we shall be discharged from all liability under this guarantee thereafter.

4. We, _____ bank ltd., further agree with the Hindustan shipyard ltd., that the Hindustan shipyard ltd., shall have the fullest liberty without our consent and without affecting in any manner or obligations hereunder to vary any of the terms and conditions of the said agreement to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Hindustan shipyard ltd., against the said contractor(s) and to forbear or enforce any of the etc relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said contractor(s) or for any forbearance, act or omission on the part of the Hindustan shipyard ltd., or any indulgence by the Hindustan shipyard ltd., to the said contractor's or any such

matter or thing whatsoever which under the law relating to sureties would but for this provision have effect so relieving us.

5. we undertake to pay M/s. Hindustan shipyard limited, Visakhapatnam any money so demanded, notwithstanding any dispute raised by the contractors / supplies, in any suit or proceedings before any court of tribunal relating thereto, our liability under this guarantee being absolute and unequivocal. the payment so made by us under this guarantee shall be a valid discharge of our liability for payment there under and the contractors / supplies shall have no claim against us for making such payment.

6. we, _____ bank ltd., lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Hindustan shipyard ltd., in writing.

notwithstanding anything contained herein before our liability under the guarantee is restricted _____ to _____ Rs. _____ (rupees _____ only) with interest @ 20% per annum and it will remain in force till (date). unless a demand or claim under this guarantee is made on us in writing on or before the above date all your rights under the guarantee shall be forfeited and we shall be released and discharged from all the liabilities hereunder.

Dated the _____ date of _____

For _____ bank ltd.