

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

PROFORMA OF BANK GUARANTEE / BID BOND TOWARDS EMD

(TO BE ISSUED ON RS.100/- NON-JUDICIAL STAMP PAPER)

REF No. _____ BANK GUARANTEE NO _____
DATE _____.

TO
THE CHAIRMAN & MANAGING DIRECTOR.,
HINDUSTAN SHIPYARD LIMITED.,
GANDHIGRAM.,
VISAKHAPATNAM – 530 005

DEAR SIRs,

1. _____ whereas M/s **Hindustan Shipyards Ltd.**, incorporated under the companies act 1956, having its registered office at Ganghigram Visakhapatnam-530 005, India (hereinafter called the "HSL" which expression shall unless repugnant to the context or meaning thereof (include all its successors, administrators, executors and assigns) has floated a tender no. _____ and M/s. _____ having head / registered office at _____ which expression shall unless repugnant to the context or meaning there of mean and include all its successors, administrators, executors and assign) have its successors, administrators, executors and assigns) have submitted a bid reference no. _____ and tenderer having agreed to furnish as a condition precedent for participation in the said tender an unconditional and irrevocable bank guarantee of Indian Rs. _____ in figures _____ Indian rupees _____ only (in words) for the due performance of tenderer's obligations as contained in the terms of the notice inviting tender (nit) and other terms and conditions contained in the tender documents supplied to "HSL" which amount is liable to be forfeited on the happening of any contingencies mentioned in said documents.

2. We (name of bank) _____ registered under the laws of _____ having head / registered office at _____ (hereinafter referred as "the bank" which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and permitted assigns) guarantee and undertake to pay immediately on first demand by "HSL" the amount of Indian Rs. _____ (in words _____ Indian Rs. _____ only) (in figures) in aggregate at an, time without any demur and recourse, and without Hindustan shipyard ltd., having to substantiate the demand, any such demand made by Hindustan shipyard ltd., shall be conclusive and binding on the bank irrespective of any dispute or difference raised by bidder.

3. The bank confirms that this guarantee has been issued with observance of appropriate laws of the country of issue.

4. The bank also agrees that this guarantee shall be irrevocable and governed and construed in accordance with Indian laws and subject to exclusive jurisdiction of Indian court of the place from there tenders have been invited.

5. This guarantee shall be irrevocable and shall remain in force up to _____ (180 days from the date of issue of this bank guaranteed / bid bond) which includes 60 days after the period of bid validity and any demand in respect thereof should reach the bank not later than the aforesaid date.

6. Notwithstanding anything contained herein above, our liability under this guarantee is limited to Indian Rs. _____ (in figures) (Indian rupees _____ only) (in words) and our guarantee shall remain in force until _____ (indicate the date of expiry of bank guarantee). any claim under this guarantee must be received by us before the expiry of this bank guarantee. if no such claim has been received by us by the said date, the right of "HSL" under this guarantee will cease. However, if such a claim has been received by us by the said date. all the rights of "hsl" under this guarantee shall be valid and shall not cease until we have satisfied that claim.

in witness whereof, the bank through its authorized officer has set its hand and stamp on this _____ day of _____ 2006 at _____).

Witness no.1

(SIGNATURE)

(signature)
full name and official address
(in legible letters)

FULL NAME DESIGNATION AND OFFICIAL

ADDRESS

witness no.2

(IN LEGIBLE LETTERS)

WITH BANK STAMP

(signature)
full name and official address
(in legible letters)

Instructions for furnishing bank guarantee

1. Indian bidders should submit their bid on non-judicial stamp paper worth of rupees one hundred. The non-judicial stamp paper should be in name of the issuing bank.
2. The bank guarantee submitted by Indian bidders should be from nationalized / scheduled banks only.
3. Foreign bidders may give a bank guarantee (bid bond) issued by any Nationalized bank in India or any of its branch situated outside India. if the bank guarantee is issued by any internationally reputed foreign bank, such bank guarantee shall be invariably counter signed by any nationalized bank in India.
4. Alternatively both the foreign bidders and Indian bidders are allowed to submit a crossed demand draft in favour of Hindustan shipyard Ltd., payable at Visakhapatnam, India.
5. The bank guarantee / demand draft shall be valid for a period of ninety days from the date of its issue.
6. The bank guarantee / demand draft of unsuccessful bidder will be returned soon after finalization of order from the selected source. in case of necessity, the bidders shall extend the validity of the bank guarantee or the demand draft as per the instruction of HSL at a later date.