



EQUIPMENT PERFORMANCE BANK GUARANTEE

THIS DEED OF GUARANTEE MADE THIS _____ DAY OF _____ 200 BY THE (Bank's Name & Address) hereinafter called "the Surety" (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 in favour of M/s. MAZAGON DOCK LIMITED, DOCKYARD ROAD, MUMBAI – 400 010, hereinafter called "THE PURCHASER" (which expression shall unless excluded by or repugnant to the context be deemed to include their heirs, successors in office and assigns) of the other part.

WHEREAS, (firm's name) registered under the Indian Companies Act 1913 having its registered office at (Firm's address) (hereinafter called "THE CONTRACTOR") which term shall include its heirs, successors, administrators and assigns) have accepted an Order No. _____ dated _____ (hereinafter referred to as the said "Contractor") with the Purchaser for supply of certain goods stated in the said contract to Purchaser in good condition provided in the contract.

AND WHEREAS it is one of the terms of the said contract that Contractor shall furnish to the Purchaser a bank guarantee comprising _____ % of the value of the order amount to Rs. _____ (Rupees _____) for the satisfactory performance of the equipments supplied against the said contract at least for a period of _____ months from the date of supply, i.e. from _____ or for a period of _____ months from the date of commissioning of ship in which items/equipments are fitted whichever is later and WHEREAS the purchaser has agreed to accept such Bank Guarantee.

NOW THIS INDENTURE WITNESSETH AS FOLLOWS:-

- (1) In consideration of the above premises the Surety hereby unequivocally undertakes and agrees with the Purchaser to pay to the Purchaser upon demand in writing without any demur, protest and without referred to the Contractor, whenever required so by them so to do and within a fortnight from the date of such demand sum or sums not exceeding in the whole of Rs. _____ (Rupees _____).
- (2) We, the (Bank's Name) further agree that the purchaser shall be the sole judge to decide whether the Contractor has committed any breach of any of the terms or conditions of the said contract or the goods supplied by the contractor have failed in performance and that if any question arises as to whether any sum has become payable by the Contractor to the Purchaser by virtue of or arising out of the said contract and/or by such failure the decision of the Purchaser shall be final and binding on the Surety.

- (3) This guarantee shall come into force upon delivery of the equipments/items and shall remain in full force and effect till guarantee period of the said contract and till the terms and conditions of the said contract and any modification or variation or amendment thereof have been properly fulfilled or till the Purchaser certifies in writing that the said contract and any modifications or variation or amendment of the said contract have been truly and faithfully performed. However, in case the Bank Guarantee is provided for a limited period, the validity of the same shall be automatically extended till the guarantee period of the said contract.
- (4) We, (Bank's Name), undertake not to revoke this guarantee during its currency except with the previous consent of the Purchaser in writing. The guarantee herein contained shall not be revocable by notice or by reason of the dissolution or winding up of the business of the contractor or any change in the constitution or composition of the contractor's business.
- (5) We, (Bank's Name), further agree with the Purchaser that the Purchaser 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 contract or to extend time of performance by the said contract, from time to time or postpone for any time to time any of the powers exercisable by the Purchaser against the said contractor and to forbear or enforce any of the terms and conditions relating to the said contract or of the modified or varied or amended contract and we shall not be relieved from liabilities by the reasons of any such modification or verifications or amendments or extensions being granted to the said contractor or for any forbearance, act or omission on the part of the Purchaser or any indulgence by the Purchaser to the said contractor or by any such matter or things whatsoever which under the law relating to securities would but for this provision have effect of so relieving us.

Notwithstanding anything contained hereinabove, our liability under this guarantee is restricted to Rs. _____ (Rupees _____). This guarantee shall be valid upto date and unless a claim or demand in writing is made on a bank within 6 months from the date of expiry of the bank guarantee the bank shall be released and discharged from all liabilities there under. We, the Bank Name agree to renew and extend the validity of this Bank Guarantee till the terms and conditions of modified or varied or amended contract have been properly fulfilled by the contractor to the satisfaction of the Purchaser.

In witness whereof the Bank Name, the surety has signed this deed on day and year first hereinabove written.

Date: