

MAZAGON DOCK SHIPBUILDERS LIMITED
PROFORMA BANK GUARANTEE FOR FREE ISSUE MATERIAL

(ILLUSTRATIVE FORMAT)

(On Non-Judicial stamp paper of value Rs. 500/-. However, the value of stamp paper to be confirmed from Legal Department, MDL.)

IN CONSIDERATION OF MAZAGON DOCK SHIPBUILDERS LIMITED, a company incorporated under the Companies Act 1956 and having its registered office at Dockyard Road, Mumbai 400010 (hereinafter referred to as the "the Company" which expression shall, unless it be repugnant or contrary to the subject or context thereof, be deemed to mean and include its successors and assigns) having placed an order on Messers a partnership firm/sole proprietor business/a company registered under the Companies Act, 1956 having its office at(hereinafter called "the Contractor/ Supplier" which expression shall, unless it be repugnant or contrary to the subject or context thereof, be deemed to mean and include its successors and assigns) vide order no.....dated..... (hereinafter called "the order" which expression shall include any amendments/alterations to "the order" issued by "the Purchaser") which, inter alia, provides for the issuance of materials such as MS/AL Sheets, Steel, Component etc free of cost to the Contractor/ Supplier for Galvanising, heat treatment, Fabrication, Fitment etc. on returnable basis subject to furnishing a Bank Guarantee equivalent to the value of materials supplied by the Contractor / Supplier to the Company, We, Bank having office at (hereinafter referred to as "the Bank" which expression shall include its successors and assigns) hereby agree to pay to the Company without any demur on first demand an amount not exceeding Rs..... (Rupees.....only) against any loss or damage, costs, charges and expenses caused to or suffered by the Company by reason of non performance and non-fulfilment or for any breach on the part of the Contractor / Supplier of any of the terms and conditions of the said order.

2. We, Bank further agree that the Purchaser shall be sole judge whether the said Contractor/Supplier has failed to perform or fulfil the said order in terms thereof or committed breach of any terms and conditions of the order and the extent of loss, damage, cost, charges and expenses suffered or incurred or would be suffered or incurred by the Company on account thereof and we waive in the favour of the Purchaser all the rights and defences to which we as guarantors may be entitled to.

3. We, Bank further agree that the amount demanded by the Company as such shall be final and binding on the Bank as to the Bank 's liability to pay and the amount demanded and the Bank undertake to pay the Company the amount so demanded on first demand and without any demur notwithstanding any dispute raised by the Contractor/Supplier or any suit or other legal proceedings including arbitration pending before any court, tribunal or arbitrator relating thereto, our liability under this guarantee being absolute and unconditional.

4. We, Bank further agree with the Company 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 order/or to extend time of performance by the Company from time to time or to postpone for any time to time any of the powers exercisable by the Company against the Contractor/ Supplier and to forbear to enforce any of the terms and conditions relating to the order and we shall not be relieved from our liability by reason of any such variation or extension being granted to the Contractor/ Supplier or for any forbearance, act or omission on the part of the Company or any indulgence by the Company to the Contractor/Supplier or by any such matter or things whatsoever which under the law relating to sureties would have the effect of relieving us.

5. We, Bank further undertake not to revoke this guarantee during its currency except with the previous consent of the Purchaser in writing.

6. We, Bank also agree that the Bank's liability under this guarantee shall not be affected by any change in the constitution of the Contractor / Supplier.

7. Notwithstanding anything contained herein above:

i) Our liability under this guarantee shall not exceed Rs.....

ii) This Bank Guarantee shall be valid upto and including; and

iii) We are liable to pay the guarantee amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before(validity + ---weeks from the date of expiry of this guarantee).

8. This Guarantee shall be governed by Indian laws and the Courts at Mumbai, India shall have the exclusive jurisdiction.

IN WITNESS WHEREOF the Bank has executed this document on this..... day of

For Bank

(by its constituted attorney)

(Signature of a person authorised to sign on behalf of 'the Bank')