

## FORM OF BANK GUARANTEE FOR BID SECURITY

The Chairman,  
Inland waterways Authority of India  
A-13, Sector 1,  
Noida – 201 301

### WHEREAS

\_\_\_\_\_ (Name of Tenderer) (hereinafter called the Tenderers) wishes to submit his tender for work of \_\_\_\_\_ in the state/s of \_\_\_\_\_ herein called "the Tender" KNOW ALL PEOPLE by these present that we \_\_\_\_\_ (Name of Bank) of \_\_\_\_\_ (Name of country) having our registered office at \_\_\_\_\_ (\_\_\_\_\_ ) (hereinafter called the 'Bank') are bound unto the Inland Waterways Authority of India (hereinafter called "the Owner") in the sum of the Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) \*for which payment can truly be made to the said Owner. The Bank bind themselves, their successors and assigns by these presents with the common seal of the Bank this day \_\_\_\_\_ of 2006 and undertake to pay the amount of \_\_\_\_\_ Rs. \_\_\_\_\_ to the employer upon receipt of this written demand without the employer having no substantiate his demand.

The conditions of this obligation are:

If the tender withdraws his tender during the period of Tender validity specified in the Form of Tender.

Or

If the Tender having been notified of the acceptance of his Tender by the Employer during the period of tender validity.

fails or refuses to execute the Form of Agreement in accordance with the instructions to bidders, if required; or

fails or refuses to furnish the Performance Security, in accordance with the Instruction to Bidders.

We undertake to pay Owner upto the above amount upon receipt of his first written demand, without the Owner having to substantiate his demand, provided that in his demand the Owner will note that the amount claimed by his is due to his owing to the occurrence of any one of the above conditions, specifying the occurred condition or conditions.

This guarantee will remain in force upto and including the date 45 days beyond the validity of the bid as such deadline is stated in the Instructions to Bidders or as it may be extended by the Employer, at any time prior to the closing date for submission of the Tenders Notice of which extension to the Bank is hereby waived. Any demand in respect of this guarantee should reach the Bank not later than the above date of expiry of this guarantee.

SIGNATURE OF AUTHORISED REPRESENTATIVE OF THE BANK

\_\_\_\_\_  
NAME AND DESIGNATION

\_\_\_\_\_  
SEAL OF THE BANK

\_\_\_\_\_  
SIGNATURE OF THE WITNESS

\_\_\_\_\_  
NAME OF THE WITNESS

\_\_\_\_\_  
ADDRESS OF THE WITNESS

\_\_\_\_\_

**FORM OF BANK GUARANTEE FOR PERFORMANCE SECURITY**

To  
The Chairman  
Inland Waterways Authority of India,  
A-13, Sector-I,  
NOIDA – 201 301.

WHEREAS..... (name and address of contractor) thereafter called “the contractor” has undertaken, in pursuance of Contract No. .... Dated ..... to execute..... (name of Contract and brief description of Works) (hereinafter called “the contract”).

AND WHEREAS it has been stipulated by you in the said contract that the Contractor shall furnish you with a Bank Guarantee by a Nationalised/Scheduled bank of India for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee:

NOW THEREOF we hereby affirm that we are the guarantor and responsible to you on behalf of the Contractor, up to a total of Rs..... (amount of guarantee) (Rupees..... (in words), such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of ..... (amount of guarantee) as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the contract or of the works to be performed there under or of any of the contract documents which may be made between you and the Contractor shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid until 28 days from the date of issue of the Defects Liability Certificate.

Signature and seal of the Guarantor.....  
Name of the Bank .....  
Address.....

Date.....

In the presence of .....

1.....  
(Name of Occupation)

2.....  
(Name of Occupation)

An amount shall be inserted by the Guarantor, representing the percentage of the Contract Price specified in the Contract and denominated in Indian Rupees.

**Form of Bank Guarantee – Secure a Lump-Sum Advance**

To

The Chairman  
Inland Waterways Authority of India  
A –13, Sector-1,  
NOIDA-201301 (UP).

In consideration of the Chairman, Inland Waterways Authority of India ..... Hereinafter called “the Authority” which expression shall unless repugnant to the subject or context include his successor an assigns) having agreed under the terms and conditions of Contract No. .... dated..... Made between..... and the authority in connection with .....(Hereinafter called “the said Contract”) to make at the request of the Contractor a lump-sum advance of Rs. .... For utilising it for it for the purpose of the contract on his furnishing a guarantee acceptable to the Authority, we the ..... Bank Ltd. (hereinafter referred to as the “the said Bank”) a company under the Companies Act. 1956 and having our registered office at ..... Do hereby guarantee the due recovery by the Authority of the said advance with interest thereon as provided according to the terms and conditions of the contract. We, ..... Do hereby undertake to pay the amount due and payable under this Guarantee without any demur, merely on a demand from the Authority stating that the amount claimed is due to the Authority under the said Agreement. Any such demand made on the ..... Shall be conclusive as regards the amount due and payable by the ..... under this guarantee and the amount so demanded shall be absolute and unconditional notwithstanding any dispute or disputes raised by the contractor and notwithstanding any legal proceeding pending in any court or tribunal relating thereto. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs. ....

2. We, ..... Bank Ltd., further agree that the Authority shall be the sole judge of and as to whether the said contractor has not utilised the said advance or any part thereof for the purpose of the contract and the extent of loss or damage caused to or suffered by the Authority on account of the said advance together suffered by the Authority on account of the said advance together with interest now being recovered in full and the decision of the Authority that the said contractor has not utilised the said advance or any part thereof for the purpose of the contract and as to the amount or amounts of loss or damages caused to or suffered by the Authority shall be final and binding on us.
  
3. We, the said Bank further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of

the said contract and that would be taken for the performance of the said contract and till the said advance with interest has been fully recovered and its claim satisfied or discharged and till..... Certify that the said advance with interest has been fully recovered from the said contractor, and accordingly discharges this Guarantee subject, however, that the owner shall have no claims under this Guarantee after ..... Years from the date of completion of the said contract, as the case may be, unless a notice of there claim under this guarantee has been served on the Bank but expiry of the said period of ..... Years in which cash the shall be enforceable against the bank notwithstanding the fact that the same is enforced after the expiry of the said period of ..... years.

4. The Authority shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee or indemnity, from time to time to vary any of the terms and conditions of the said contract or the advance or to the extend time of performance by said contractor or to postpone for any time and from time to time any of the powers exercisable by it against the said contractor and either to enforce or forbear from enforcing any of terms and conditions governing the said contract or the advance of securities available to the Authority and the said Bank shall not be released from its liability under these presents by any exercise by the Authority of the liberty with reference to the matters aforesaid or by reasons of time being given to the said contractor or any other forbearance, act or omission on the part of the Authority or any indulgence by the Authority to the said contractor or of any other matter or thing whatsoever which under the laws relating to sureties would but for this provision have the effect of so releasing the bank from its such liability.
5. It shall not be necessary for the Authority to proceed against the Contractor before proceeding against the Bank and the Guarantee herein contained shall be enforceable against the Bank notwithstanding any security which the Authority may have obtained or obtain from the contractor shall at the time when proceedings are taken against the Bank hereunder be outstanding or unrealised.
6. We, the said Bank lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Authority in writing and agree that any change in the constitution of the said contractor or the said bank shall not discharge our liability hereunder.
7. The executor to this bank guarantee has resolved that it will not have recourse to any civil court for enforcement / cancellation of this bank guarantee to which, we also agree.

Dated this ..... day of ..... 20 .....

For and on behalf of the Bank

(Name and Designation)

The above guarantee is accepted by the Chairman, Inland Waterways Authority of India.

For and on behalf of the Chairman,  
Inland Waterways Authority of India

Dated.....

Note:

For proprietary concerns:

Shri ..... Son of ..... Resident of .....  
..... Carrying on business under the name and style of .....  
..... at .....(Hereinafter called the said contractor, which on possession shall unless the context requires or otherwise include his heirs, executors, administrators and legal representatives).

For partnership concerns:

- (1) Shri ..... Son of ..... Resident of .....
- (2) Shri ..... Son of ..... Resident of .....

And carrying on business in co-partnership under the name and style of ..... At ..... (Hereinafter collectively called "the said contractor" which expression shall unless the context requires otherwise includes each on them and their respective heirs, executors, administrators, and legal representatives.

For Companies:

Shri ..... A company under the companies Act, 1956 and having its registered office at ..... In the State of ..... (Hereinafter called "the said Contractor" which expression shall unless the context requires otherwise include its successors and assigns).

**Form of Bank Guarantee (for payment of I ST installment)**

(TWO NOS. CUTTER SUCTION DREDGER & TWO NOS WORKBOATS)

In consideration of Inland Waterways Authority of India, under Ministry of Shipping, Government of India (hereinafter called the owner) having made advance

payment to ..... (Hereinafter called the contractor) under the terms and conditions of the contract dated ..... made between the contractor and the owner for the design, construction supply and delivery two number CUTTER SUCTION DREDGERS & two number WORKBOATS (hereinafter called the contract) on production of a bank guarantee for Rs. .... (Rupees ..... only). We ..... further agree that if demand is made to the owner for honouring the bank guarantee, we ..... have no right to decline to cash the same for any reason whatsoever and shall cash the same within a maximum period of 2 days from the date of serving notice to the bank from the date of such demand. The fact that there is dispute of any matter whatsoever between the contractor and the owner is no ground for us ..... to decline to honour the bank guarantee in the manner aforesaid is a sufficient reason for the owner to enforce the bank guarantee unconditionally without any reference to the contractor. We ..... further agree that a mere demand by the owner is sufficient for us ..... to pay the amount covered by the bank guarantee in the manner and within the time aforesaid without reference to the contractor and any protest by the contractor shall not be valid ground for us, ..... to decline or fail or neglect the payment to the buyer in the manner and within the time aforesaid. Any such demand on the Bank shall be conclusive as regards the amount due and payable to the owner by the Bank under this guarantee.

We, ..... Further agree that the bank guarantee herein contained shall remain in full force and effect, till the delivery and acceptance of the cutter suction dredgers to the complete satisfaction of the owner in terms of clause 12 of special condition of the contract dated ..... and that it shall continue to be enforceable till all the dues of the owner under or by virtue of the said contract have been fully paid and its claims satisfied or discharged in full or till the owner certifies that the terms and conditions of the contract have been fully and properly carried out by the contractor and accordingly discharge the guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the ....., we shall be discharged from all liability under this guarantee thereafter.

We, ..... further agree that the owner shall have the fullest liberty, without our consent and without effecting in any manner our obligations hereunder, to vary any of the terms and conditions of the contract or to extend the time during which the contract is to remain valid and or the time for performance by the contractor of its / their obligations under the contract from time to time or to postpone for any time or from time to time any of the powers exercise by the owner against the contractor and to forbear or enforce any of the terms and conditions relating to the contract and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the contractor or any indulgence by the owner to the contractor or by any such mater or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us, .....



The executor to this bank guarantee has resolved that it will not have recourse to any civil court for enforcement / cancellation of this bank guarantee to which, we also agree.

This Guarantee shall be valid upto ..... Including from the date of issue.

We ..... lastly undertake not to revoke this guarantee during its currency except with previous consent of the owner in writing.

Dated ..... day of ..... Two thousand .....

Signature .....

SEAL