

**TO BE EXECUTED ON A STAMP PAPER OF VALUE NOT LESS THAN  
RS.100.00 BOUGHT IN THE NAME OF THE EXECUTING BANK.**

**BANK GUARANTEE FORMAT FOR EARNEST MONEY DEPOSIT**

- 1.Name and address of the Bank:\_\_\_\_\_
- 2.Guarantee No.-----date-----
- 3.Limit of Liability-----Expiry date-----
- 4.Tender Notice No.\*-----date-----
- 5.Name of the work as given in the tenders.\*\*\_\_\_\_\_

To

Rashtriya Ispat Nigam Limited.,  
Visakhapatnam Steel Plant,  
Visakhapatnam (A.P.)

Sub: Earnest Money Deposit

In consideration of M/s. Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant having its Registered Office at Administrative Building, Visakhapatnam 530 031 (hereinafter called the Company) which expression shall unless repugnant to the subject or context includes his successors and assignees having agreed to exempt M/s. ....

(hereinafter called "the Contractor/Supplier") from demand under the terms and conditions of the tender document issued by the company for the work(\*\*)

.....  
(hereinafter called the said 'Document') from deposit of Earnest Money for the due fulfillment of the Contractor/Supplier of terms and conditions contained in the said documents on production of a Bank Guarantee for Rs.....(Rupees.....only).

1.We, the .....Bank (hereinafter referred .....to as "the said Bank") a Company under the Companies Act, 1956 and having our Registered Office at .....do hereby undertake and agree to indemnify and keep indemnified the Company to the extent of Rs.....only) against any loss..... or damage costs, Charges and expenses caused to or suffered by of that may be caused or suffered by the Company by reasons of any breach or breaches by the Contractor/Supplier of any of the terms and conditions contained in the said documents and unconditionally pay the amount claimed by the company on demand and without demur to the extent aforesaid.

Note: Instructions to the Bank not to be reproduced in stamp paper.

1. The following are to be filled up in the blank space indicated thus:  
(\*) Tender No. of the tender (i.e.) No. of the covering letter of the tender of the contractor.  
(\*\*) Name of the works as given in the Tender Notice
2. all pages of bank guarantee shall have the rubber stamp and signature of the officer of the bank
3. All corrections shall be attested by Rubber Stamp and Stamp of the office r of bank.\

2. We, the ..... Bank further agree that if the contractor/supplier commits any breach of the terms and conditions of the said documents in respect of which the Contractor/Supplier has been exempted from depositing the Earnest Money because of the guarantee furnished by the bank to the Company and the Company has become entitled to forfeit the Earnest Money or any part thereof, the Bank hereby unconditionally and irrecoverably agrees and undertakes to pay to the Company on demand and without demur the amount of the Earnest Money required to be furnished by the Contractor/Supplier under the conditions of the said documents in respect of which the breach is committed to the extent of Rs.....(Rupees..... only).

3. We, .....Bank further agree that the company shall be the sole judge of and as to whether the Contractor/supplier has committed any breach or breaches or any of the terms and conditions of the said documents and the extent of loss, damage, costs, charges and expenses caused to or suffered by or that may be caused to or suffered by the Company on account thereof to the extent of the Earnest Money required to be deposited by the Contractor/Supplier by the Contractor/Supplier in respect of the said document and the decision of the company that the contractor/supplier has committed such breach and as to the amount or amounts of loss, damage, costs, charges and expenses caused to or suffered by or that may be caused to or suffered by the Company shall be final and binding on us.

4. We, the said Bank further, agree that the guarantee herein contained shall remain in full force and effect, until it is released by the Company provided always this guarantee shall in no event remain in force after the .....day of.....without prejudice to the claims of the company arisen and demanded from or otherwise notified to us in writing on or before the said date which will be enforceable against us notwithstanding that the same are enforced after the said date.

5. The Company 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; supply or to extend time of performance by the Contractor/Supplier or to postpone for any time and from time to time any of the powers exercisable by it against the Contractor/Supplier and either to enforce or forbear from enforcing any of the terms and conditions governing the said documents or securities available to the Company and the said Bank shall not be released from its liability under these presents by any exercise of the company of the liberty with reference to the matters aforesaid or by reason of time being given the Contractor/Supplier or any other forbearance act or omission on the part of Company or any indulgence by the Company to the Contractor/Supplier or of any other matter or thing whatsoever which under the law relating to sureties would but for these provision have the effect or so releasing the Bank from its liability.

6. It shall not be necessary for the company to proceed against the contractor/supplier before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank notwithstanding any security which the company may have obtained or obtain from the contractor/supplier shall at the time when proceedings are taken against the Bank hereunder be unrealised.

7. We, the said Bank lastly undertake not to revoke this guarantee during its currency except with the previous consent of the company in writing and agree that any change in the constitution of the company or the Contractor/Supplier or of the Bank shall not discharge our liability hereunder.

8. All claims arising out of this Bank Guarantee may be filed with us in writing within six months of the expiry of the validity period of the Bank Guarantee.

9. We ..... (mention the Name of the Bank), hereby agree that any claim due and arising under this guarantee shall be enforceable against our bank's branch ..... (mentioning the name & address of the branch) at Visakhapatnam and they shall honour such demand in any case not later than next working day.

**10. Issuance of this Bank Guarantee may also be got confirmed from our controlling branch / office / higher authority (Name and address)**

Place: .....

Date: .....

***( To be executed on non-judicial stamp paper of value not less than Rs.100.00 bought in the name of the executing bank)***

## **BANK GUARANTEE FORMAT FOR SECURITY DEPOSIT**

Name and Address of the Bank :  
Bank Guarantee No :  
Date of Expiry :  
Limit of Liability :  
Ref. VSP's Order No. :  
For (Name of Work) :  
Subject : Security Deposit

To  
Rashtriya Ispat Nigam Limited,  
Visakhapatnam Steel Plant,  
VISAKHAPATNAM-530 031.

In consideration of Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant, a Government Company incorporated under the Companies Act, 1956 having its Registered Office at Main Administrative Building, Visakhapatnam – 530 031 (AP) (hereinafter called the Company) having agreed to accept this Bond towards the Security Deposit of Rs..... (Rupees.....) under the terms and conditions of the Agreement Letter of Acceptance/Work Order Vide No:..... dated..... (hereinafter called the said Work Order made between the company and M/s.....(hereinafter called the Contractor) for “..... (Name of Work)” under the said Work Order as a guarantee for the Security of the services rendered/work done/materials dispatched to the custody of the Company in terms of the said Work Order also for the due fulfillment of all the terms and conditions contained in the said Work Order, on furnishing of a Bank Guarantee for Rs..... We.....(hereinafter referred as the said bank) do hereby covenant and agree with you as under.

1. We undertake to indemnify you and keep you indemnified from time to time to the extent of Rs...../(Rupees.....) against any loss or damage or costs caused to or suffered by or that may be caused or suffered by you by reason of any breach or breaches on the part of the Contractor of any of the terms and conditions contained in Work Order and in the event of the Contractor shall make any defaults in carrying out any of the works under the said Work Order or otherwise in the observance and performance of any of the terms and conditions relating thereto, we shall forthwith without any protest or demur pay to you such sum or sums not exceeding in total the said sum of Rs.....(Rupees.....) as may be claimed by you as your losses and/or damages, costs, charges or expenses by reason or such default/defaults on the part of the contractor.
2. Notwithstanding anything to the contrary, your decision as to whether the Contractor has made any such default or defaults and the amount or amounts to which you are entitled by reason thereof shall be binding on us and we shall not be entitled to ask you to establish your claim under this Guarantee but will pay the same on demand without any objection.
3. The company shall have the fullest liberty to claim payment of the amount or amounts from time to time under this guarantee, subject to the ceiling limit of Rs.....(Rupees.....) as referred to above and this Guarantee shall not become invalid or infructuous because of the partial demands made by the Company upon us for payment under the circumstances stipulated herein above and this Guarantee shall hold good in favour of the Company to the extent of the balance amounts covered under this Guarantee.

4. This Guarantee shall continue and hold good until it is released by you on the application by the contractor after the Contractor had discharged all its obligations under the said contract and produced a certificate of the due completion of the work under the said contract and submitted a No Demand Certificate. Should it be necessary to extend this Guarantee beyond the said date on account of any extension of time being granted by you to the Contractor under the said contract or otherwise we undertake to extend the period of this Guarantee, and confirm to you in writing the extension of time on your request till such time as may be required.
5. You will have the fullest liberty without our consent and without affecting this Guarantee from time to time to vary any of the terms and conditions of the said agreement or extend time of performance of the Contractor or to postpone for any time or from time to time any of your rights or powers against the contractor and either to enforce or forbear to enforce any of the terms and conditions of the said contract and we shall not be released from our liability under this guarantee by the exercise of your liberty with reference to matters aforesaid or by reason of any time being given to the contractor or any other forbearance, act or omission on your part or any indulgence by you to the Contractor or by any variation or modification of the said contract/ of any other act. Matter or thing whatsoever which under the law relating to sureties would but for the provisions hereto have the effect of so releasing us from our liability hereunder provided always nothing herein contained will enlarge our liability herein beyond the limit of Rs..... (Rupees.....) as aforesaid or extended the period of the Guarantee beyond the said day of.....unless expressly agreed to by us in writing.
6. This Guarantee shall not in any way be affected by your taking or varying or giving up any sureties from the Contractor or any other person, firm or company on its behalf or by the winding up, dissolution, insolvency, reconstruction or death as the case may be, of the Contractor.
7. In order to give full effect to the Guarantee herein contained you shall be entitled to act as if we were your principal debtors in respect of all your claims against the Contractor hereby guaranteed by us as aforesaid and we hereby expressly waive all our rights of the surety ship and other rights, if any which are in any way inconsistent with the above or any other provisions of this guarantee.
8. Subject to the maximum limit of our liability as aforesaid this Guarantee will cover all your claim or claims against the contractor from time to time arising out of or in relation to the said contract and in respect of which your demand or notice in writing is received by us.
9. This Guarantee and the powers and provisions herein contained are in addition to and not by way of limitation of our substitution for any other guarantee or guarantees thereto given to you by us (whether jointly with other or alone) and now existing uncanceled and that this Guarantee is not intended to and shall not revoke or limit such guarantee or guarantees.
10. This Guarantee shall not be affected by any change in the constitution of the Contractor or us nor shall it be affected by any change in your constitution or by any amalgamation absorption or reconstruction thereof or therewith but will ensure for and be available to and enforceable by the absorbing or amalgamated, reconstructed company or concern.
11. This Guarantee during its currency shall not be revocable by us except with your previous consent in writing.
12. It shall not be necessary for you to proceed against the Contractor before proceeding against us and the guarantee herein contained shall be enforceable against us, notwithstanding any security which you may have obtained or obtain from Contractor at any time or when proceedings are taken against us hereunder be outstanding or realized.

13. NOTWITHSTANDING ANYTHING CONTAINED HEREIN:

- A) Our Liability under this Bank Guarantee shall not exceed Rs.....  
(Rupees.....only)
- B) \* This Bank Guarantee shall be valid up to.....
- C) We are liable to pay the Guaranteed 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 .....(\*date of expiry of Guarantee)

Dated the.....day of.....200

SIGNATURE WITH SEAL

\* Validity of BG to cover contract period + defect liability period + 6 months (claim period)

14. We..... (Name of the Bank), hereby agree that any claim due and arising under this guarantee shall be enforceable against our bank's branch at Visakhapatnam..... (Name & address of the Bank) and they shall honour such demand in any case not later than next working day.
15. **Issuance of this Bank Guarantee may also be got confirmed from our controlling branch / office / higher authority (Name and address)**