

PROFORMA FOR BID SECURITY (EMD) IN THE FORM OF BANK GUARANTEE

(On Stamp Paper of Rs.200, to be issued by any Indian nationalized bank only)

To:

Punjab Dyers Association, Focal Point Module,
C/o. 341/342-D Phase VIII, Focal Point, Ludhiana-141010

This Bank Guarantee Bond No. _____ is made on _____ day of _____, by _____ a Banking Company incorporated under the Banking Regulations Act having its registered office at _____ [hereinafter after called "**BANK**" which expression unless repugnant to the context, or contrary to the meaning thereof includes its successors and assigns] in favor of M/s. **Punjab Dyers Association**, Focal Point Module a Company incorporated under the Indian Companies Act, and having its office at C/o. 341/342-D Phase VIII, Focal Point, Ludhiana- 141010 hereinafter called "**EMPLOYER**" which expression unless repugnant to the context or contrary to the meaning thereof includes its successors and assigns) of the **other part**

(A) WHEREAS The **EMPLOYER** issued a Notice Inviting Tender (hereinafter called **BID**) on 12/05/2014 to several parties including M/S _____ a company incorporated under the Companies Act 1956 and having its registered office at _____, [hereinafter called **BIDDER**] for undertaking work of **Designing, Providing, Constructing, Erecting and Commissioning of 40 MLD average capacity Common Effluent treatment Plant for Focal point module based on Sequential Batch Reactor Technology (SBR Technology) and Activated Sludge Process Technology (ASP Technology) on Turnkey basis including Operation and Maintenance for 10 years at Tajpur Road, Ludhiana, Punjab**" and requested the said parties to submit tenders for the same in accordance with the said **BID** Invitation & bid documents.

(B) The **BID** invitation provides inter-alia that a **BID SECURITY** for an amount of Rs _____ may be submitted to the **EMPLOYER** by the **BIDDER** with his respective **BID**, and that if any **BIDDER** withdraws his **BID** at any time before the execution of the CONTRACT between **EMPLOYER** and the successful **BIDDER** on or before 180 days from the bid submission date i.e.

_____ or changes the terms and conditions of the **BID** without **EMPLOYER'S** consent, or if the successful **BIDDER** fails to or refuses to execute a **CONTRACT** and/or fails to furnish a performance and security deposit to **EMPLOYER** after the issue of a **LETTER OF INTENT OR WORK ORDER** to him, then the security delivered on the **BID SECURITY BOND** shall thereupon be due and owing to **EMPLOYER** as liquidated damages.

(C) The **BIDDER** has agreed to furnish a **BID security** as hereinafter contained in favour of **EMPLOYER** in pursuance of the foregoing provision.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1.0 The **BANK** hereby guarantees, as a direct responsibility to **EMPLOYER**, if the **BIDDER**:

(a) withdraws his **BID** proposal at any time before the **CONTRACT** is executed between **EMPLOYER** and the successful **BIDDER** on or before 180 days from the bid submission date i.e. _____, or any extended date, or (b) changes the terms and conditions of the **BID** without **EMPLOYER'S** consent or (c) after the issue of letter of intent or purchase order to the **BIDDER** by the **EMPLOYER**, the **BIDDER** fails or refuses to execute a **CONTRACT**, and/or fails to furnish a bond for security deposit and performance guarantee for the faithful performance of such **CONTRACT**, in accordance with the **BID** conditions.

2.0 The **BANK** declares that it is holding the amount of Rs. _____ at **EMPLOYER'S** disposal and hereby promises and shall be bound to pay without demur, to **EMPLOYER** forthwith at **EMPLOYER'S** mere notice stating that the **BIDDER** has failed to fulfill their conditions mentioned in (a) or (b) or (c) of the clause No.1 above. The demand made by **EMPLOYER** on the **BANK** shall be conclusive as to the default and also as to the amount due and payable by the **BANK** under this guarantee, notwithstanding any dispute or disputes raised by the said **CONTRACTOR** regarding the validity of such default and we agree to pay the amount so demanded by **EMPLOYER** without any demur. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____

3.0 This **BANK GUARANTEE BOND** shall be valid in respect of the claims lodged by **EMPLOYER** with **BANK** on or before _____ and if it is extended for a further period, then in respect of claims lodged by **EMPLOYER** with the **BANK** on or before expiry of such further period.

4.0 The **BOND** shall be in addition to and shall not in any way be prejudiced and affected by any other security now or hereafter held by EMPLOYER for all or any part of the moneys herein mentioned.

5.0 This Bond shall not be revoked by the Bank.

For and on behalf of the Bank

(Name & signature of Authorized signatory, with employee no. with Bank seal)