



Mazdock Modernisation Project
Shipyard Transporter Contract
Conditions of Contract
Volume II

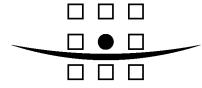
Mazagon Dock Ltd., Mumbai

Feb 2010

Final

3H6543/R032 Vol. II

A COMPANY OF



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Conditions of Contract
Volume II**

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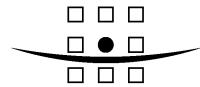
Mazdock Modernisation Project

Shipyard Transporter Contract

Tender No: MMP/ST/19 dated: 3rd Feb 2010

CONTENTS OF THE TENDER DOCUMENTS

VOLUME I	INSTRUCTIONS TO TENDERERS
VOLUME II	CONDITIONS OF CONTRACT
VOLUME III	EMPLOYERS REQUIREMENTS



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LETTER OF TENDER

(To be submitted with Part 1 (Techno-Commercial Bid) and also with Part 2 (Price Bid))

**MAZDOCK MODERNISATION PROJECT
150T Capacity Tyre Mounted Shipyard Transporter**

To: MAZAGON DOCK LIMITED
3rd Floor, Alcockyard Building,
Dockyard Road
Mumbai 4000 010
India

1. We have examined the Conditions of Contract, Employer's Requirements, Schedules, the attached Appendix and Addenda No. for the above-named Works. We have examined, understood and checked these documents and have ascertained that they contain no errors or other defects. We accordingly offer to design, execute and complete the Works and remedy any defects therein, in conformity with this Tender which includes all these documents and the enclosed Proposal, for the lump sum of:

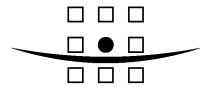
for the sum* of Rs. _____ (Rupees) _____ and

Foreign Currency _____ (in words) _____ .

(*To be left blank in Part 1 Bid)

(*i) Only Indian Rupee for Indian Companies or Indian Tenderers, and (ii) Indian Rupee and Foreign currency/ies for overseas Companies/ Tenderers).

2. We agree that the Dispute, if any, shall be resolved in accordance with Clause 20 of the Conditions of Contract.
3. We agree to abide by this Tender until or any other date thereafter agreed by us, and it shall remain binding upon us and may be accepted at any time before that date. We acknowledge that the Appendix forms part of this Letter of Tender.
4. If this offer is accepted, we will provide the specified Performance Security, commence the Works as soon as is reasonably practicable after the Commencement Date, and complete the Works in accordance with the above-named documents within the Time for Completion.
5. Unless and until a formal Agreement is prepared and executed this Letter of Tender, together with your written acceptance thereof, shall constitute a binding contract between us.
6. We have independently considered the amounts of liquidated damages shown in the Appendix to Tender and agree that they represent a fair estimate of the damages likely to be suffered by you in the event of the work not being completed by us in time.



7. We understand that you are not bound to accept the lowest or any tender you may receive.

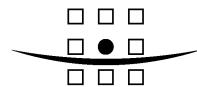
Signature in the capacity of
duly authorise to sign tenders for and on behalf of.....
.....

Address:

Date:Company Seal

Two Witnesses

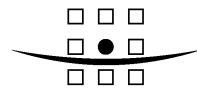
Signature	_____	_____
Name	_____	_____
Address	_____	_____
	_____	_____
	_____	_____
Date	_____	_____



APPENDIX TO TENDER

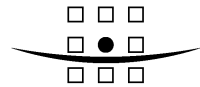
[Note: with the exception of the items for which the Employer's requirements have been inserted, the following information is to be read with Conditions of Contract and must be completed before the Tender is submitted]

Item	Sub-Clause of General Conditions of Contract	Entry
Employer's name and address	1.1.2.2 & 1.3	MAZAGON DOCK LIMITED Dockyard Road Mumbai 4000 010 India It is clarified that representatives of Indian Navy, such as, Submarine Overseeing Team (SOT) would be part of the Employer.
Contractor's name and address	1.1.2.3 & 1.3
Engineer's name and address	1.1.2.4 & 1.3	Haskoning Nederland BV Barbarossastraat 35 P.O. Box 151 Nijmegen 6500 AD The Netherlands Represented by: Haskoning Nederland BV Marlborough House Marlborough Crescent Newcastle upon Tyne NE1 4EE United Kingdom
Time for Completion of the Works	1.1.3.3	365 days (52 weeks)
Defects Notification Period	1.1.3.7	365 days
Electronic transmission systems	1.3	Facsimile
Governing Law	1.4	The Law of India
Ruling language	1.4	English
Language for communications	1.4	English
Time for access to the Site	2.1	7days after Commencement Date
Amount of Performance Security	4.2	10% of the Accepted Contract Price, in the currencies in, which Contract Price is payable
Period for notifying unforeseeable errors, faults and defects in the Employer's Requirements	5.1	45 days
Normal working hours	6.5	0800 hrs to 2000 hrs. Monday to Saturday inclusive
..... Initials of signatory of Tender		



APPENDIX TO TENDER (CONT'D)

Item	Sub-Clause of General Conditions of Contract	Entry
Delay damages for the Works	8.7 & 14.15(b)	Delay in completion of whole works: a) 0.072% of the Contract Price per day subject to maximum of 5% of the Contract Price. b) Damages will be in the currencies in which the contract price is payable.
Maximum amount of Delay Damages	8.7	5% of the Final Contract Price
Percentage for adjustment of Provisional Sums	13.5(b)	This sub-clause does not apply
Adjustments for Changes in Cost; Table(s) of adjustment data	13.8	This sub-clause is applicable for Indian Contractor.
Total advance payment	14.2	This sub-clause does not apply
Number and timing of instalments	14.2	This sub-clause does not apply
Currencies and proportions	14.2	This sub-clause does not apply
Start repayment of advanced payment	14.2(a)	This sub-clause does not apply
Repayment amortisation of advance payment	14.2(b)	This sub-clause does not apply
Percentage of retention	14.3 (c)	This sub-clause does not apply
Limit of Retention Money	14.3 (c)	This sub-clause does not apply
Plant and Materials for payment when shipped enroute to the site	14,5 (b)	This sub-clause doe not apply
Plant and Materials for payment when delivered to the Site	14.5(c)	This sub-clause does not apply
Minimum amount of interim payment Certificates	14.6	This sub-clause does not apply
Payment	14.7	Amended-clause is applicable for Foreign & Indian Bidders separately
Financial charges for delayed payment	14.8	@ 10% p.a. at simple interest for INR and @LIBOR monthly at simple rate for foreign currency.
Currency/currencies of payment	14.15	(i) INR for Indian Company/Contractor, (ii) INR and Foreign currency for overseas Company/Contractor, as named in the Letter of Tender
Periods for submission of insurance: (a) evidence of insurance (b) relevant policies	18.1 18.1	This sub-clause does not apply This sub-clause does not apply



.....
 Initials of signatory of Tender.

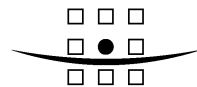
APPENDIX TO TENDER (CONT'D)

Item	Sub-Clause of General Conditions of Contract	Entry
Maximum amount of deductibles for insurance of the Employer's risks	18.2(d)	This sub-clause does not apply
Insurance limit per occurrence not less than	18.3	This sub-clause does not apply
The Dispute Adjudication Board shall be	20.2	Amended Clause 20.2 applies
Appointment (if not agreed) to be made by	20.3	This sub-clause does not apply.

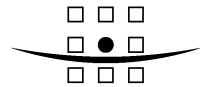
.....
 Initials of signatory of Tender.

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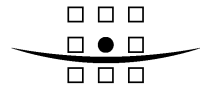


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GENERAL CONDITIONS OF CONTRACT

The Conditions of Contract comprise the “General Conditions”, which form part of the “Conditions of Contract for Plant and Design-Build” (for Electrical and Mechanical Plant, and for Building and Engineering Works, Designed by the Contractor), First Edition 1999 published by Federation Internationale Des Ingenieurs-Conseils (FIDIC), and the following “Particular Conditions”, which include amendments and additions to the General Conditions. Whenever there is a conflict between the General and Particular Conditions, the provisions contained in the Particular Conditions shall prevail over those in the General Conditions of Contract.

FIDIC website is <http://www.fidic.org/bookshop/>

Hardcopies on payment can be obtained from:

Address (A): FIDIC P.O. Box 86 CH-1000 Lausanne 12 Switzerland

(Address (B): CEAI’s Secretariat, East Court, Zone 4, Core 4B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110 003).

PARTICULAR CONDITIONS OF CONTRACT

(A) AMENDMENTS TO THE GENERAL CONDITIONS

1.6 Contract Agreement

In 1st line replace “28 days” with “21 days”.

1.12 Confidential Details

Insert “to the Engineer”, after the words “shall disclose all such confidential and other information.”

Add the following:

The Contractor shall treat the details of the Contract as private and confidential, save insofar as may be necessary for the purposes thereof, and shall not publish or disclose the same or any particulars thereof in any trade or technical paper or elsewhere without the previous consent in writing of the Employer. If any dispute arises as to the necessity of any publication or disclosure for the purpose of the Contract the same shall be referred to the Employer whose decision shall be final.

2.4 Employer’s Financial Arrangements

This clause is deleted.

3.1 Engineer’s Duties

At the end of the existing clause add the following:

The Engineer is required to obtain the specific written approval of the Employer before carrying out his duties in accordance with the following clauses and Sub-Clauses:

- (a) Clause 8.4 - determination of extensions of time pursuant to this Clause and any entitlement to additional costs incurred thereby;
- (b) Clause 13 - issuing Variation Orders pursuant to Clause 13 where the aggregate value exceeds the Accepted Contract Amount;
- (c) Clause 20.1 - assessment of validity of any claim pursuant to Clause 20.1.

Notwithstanding the obligations, as set out above, to obtain approval, if during any period of site erection, in the opinion of the Engineer an emergency occurs affecting the safety of life or of the Works or of adjoining property, he may without relieving the Contractor of any of his duties and responsibilities under the Contract, instruct the Contractor to execute all such work or to do all such things as may, in the opinion of the Engineer be necessary to abate or reduce the risk. The Contractor shall forthwith comply, despite the absence of approval of the Employer, with any such instruction of the Engineer. Where considered appropriate the Engineer shall determine an addition to the Contract price, in respect of such instruction, in accordance with Clause 13 and shall notify the Contractor accordingly, with a copy to the Employer.

4.2 Performance Security

Delete paragraph “The Employer shall indemnify and hold.....to make the claim”.

Performance Bank guarantee shall be as per the format included in Volume II – Conditions of Contract and shall meet the requirements stated at paragraphs (titled “Tender Security”) 13.3, 13.4 and 13.5 of Vol.I – Instructions to Tenderers.

4.4 Subcontractor

At the end add sub-para “(d) Unsuccessful tenderers cannot be engaged as subcontractor in the course of execution of Contract”.

4.15 Access Routes.

This clause is deleted

4.19 Electricity, Water and Gas

Delete paragraphs “The Contractor shall be entitled tothese amounts to the Employer” of this Sub-Clause and insert:

(a) Electricity

The Employer would consider providing electrical power, which may be provided at one point only if possible and available, and only on CHARGEABLE BASIS, if so desired by the Tenderer.

(b) Gases / Compressed Air

Gases / compressed air, including its storage & handling, required for the work shall be arranged by the Contractor at their own risk & cost.

(d) The Contractor shall, at his risk and cost, provide any apparatus necessary including but not limited to those mentioned above, for his use of above services and for measuring the quantities consumed

6.2 Wages and Conditions of Labour

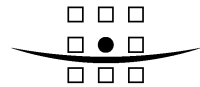
This clause is deleted

6.4 Labour Laws

This clause is deleted

6.5 Working Hours

Insert the following at the end of Sub-Clause 6.5



Subject to any provision to the contrary contained in the Contract none of the Permanent Works shall, save as hereinafter provided, be carried on between sunset and 8.00a.m. or during the night or on Sundays (or locally recognised days of rest) or Public Holidays or outside the normal working hours stated in the Appendix to Tender without permission in writing of the Engineer save or when the work is unavoidable or absolutely necessary for the saving of life or property or for the safety of the Works, in which case the Contractor shall immediately advise the Engineer or the Engineer's Representative. Provided always that the provisions of this Clause shall not be applicable in the case of any work which it is customary to carry out by rotary or double or multiple shifts, or which has to be carried out under tidal conditions.

All work at night, if required, and approved by the Engineer, shall be carried out without unreasonable noise and disturbance. The Contractor shall indemnify the Employer from and against any liability for damages on account of noise or other disturbance created while or carrying out the work and from and against all claims, demands, proceedings, costs, charges and expenses whatsoever in regard or in relation to such liability.

Where permission of the Engineer is requested as aforesaid, such permission will not be unreasonably withheld. However granting of such permission will be entirely at the discretion of the Engineer or his Representative and cannot be claimed by the Contractor as a matter of right and the refusal to grant such permission will not be accepted as a ground or excuse for not completing the Works within the specified Contract Period.

6.7 Health and Safety

This clause is deleted

7.3 Inspection

The 1st line to be reworded as "The Employer's Personnel, Engineer, Engineer's representative shall at all reasonable times:"

In paragraph 2, line 1 insert "or/and any authorised representatives after Employer's Personnel."

8.3 Programme

This clause is deleted

8.6 Rate of Progress

Insert the following paragraph at the end

If the Contractor, to expedite the progress of the work, requests permission to work by night as well as by day, then if the Engineer shall grant such permission, the Contractor shall not be entitled to any additional payment for doing so.

10.2 Taking Over of Part of the Works

In 4th paragraph, sub-clause "(ii) be entitled subject.....in the Contract Price" be deleted and read as "(ii) be entitled subject to Sub-Clause 20.1 [*Contractor's Claims*] to payment of any such cost".

10.3 Interference with Tests on Completion

In paragraph 3, sub-para “(b) payment of any such Cost.....Contract Price” be deleted and read as “(b) payment of any such cost”.

11.8 Contractor to Search

In 4th line delete the words “plus reasonable profit”.

12 Test after Completion

Delete Clause 12.

13.3 Variation Procedure

In paragraph 4 delete the second sentence “These adjustments.....if applicable” and read as “These adjustments shall take account of Contractor’s submissions under Sub-Clause 13.2 [*Value Engineering*] if applicable”.

13.5 Provisional Sums

Delete the clause.

13.7 Adjustments for Changes in Legislation

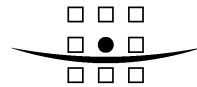
In paragraph 1 and 2 replace the words “the Base Date” with “seven days prior to latest date of the submission of the tender”.

13.8 Adjustments for Changes in Cost

Delete the entire content of the sub-clause and replace with the following:

For Indian Contractor, where the payments are on Local Currency and FE component, Contract Price shall be adjusted for exchange rate variation (ERV). For calculating ERV following shall be applicable:

- (a) Base date shall be the date of the Contract.
- (b) Variation in exchange rate in respect of FE component shall be limited upto a date three months prior to schedule time of completion.
- (c) Variation shall be allowed if the resulting increase / decrease is more than 2% of the Contract price and shall be limited to 10% of Contract price.
- (d) Variation shall not be payable on the portion of Contract price to the extent of interest free advance paid, if any, to the Contractor.
- (e) For claiming variation, following documents are to be furnished by the Contractor, alongwith claim statement:
 - (i) Banker’s Certificate / Debit Advice detailing FE paid and Exchange rate, date of the transaction.



- (ii) Copies of the import orders placed on the suppliers.
- (iii) Invoice of the supplier for the relevant import orders.
- (iv) A bill of ERV claim enclosing worksheet.

14.2 Advance Payment

This clause is deleted

14.3 Application for Interim Payments

Delete first paragraph “ The Contractor...[*Progress Reports*]”. and substitute the following:

“Payments will be made in accordance with the Schedule of Payments. When the Contractor considers that one of the milestones given in the Schedule of Payments has been reached then the Contractor shall submit to the Engineer, in a form approved by the Engineer, a Statement (4 copies) detailing the amounts to which the Contractor considers himself to be entitled, along with all the necessary documentation (4 copies) as described in the Schedule of Payments. The supporting documents shall also include the relevant reports on the progress during this month in accordance with Sub-Clause 4.21 [*Progress Reports*]”

14.4 Schedule of Payments (For Foreign Bidders)

Delete the 2nd paragraph of Clause 14.4 “If the Contract...been issued for the Works” and substitute the following:

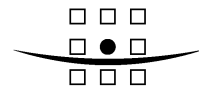
“The Contractor will be entitled to be paid in accordance with the Schedule of Payments on completion of milestones indicated below:

For Foreign Bidders:

- 1st stage: 90% of accepted contract amount (excluding the taxes, duties & levies for supply of 150T Shipyard Transporter) shall be made through irrevocable Letter of Credit on receipt and acceptance of the Shipyard Transporter at MDL by the “Engineer”
- 2nd stage: Balance 10% accepted contract amount (excluding the taxes , duties & levies for supply of 150T Shipyard Transporter) on Testing, Commissioning and Handing over of the Shipyard Transporter to MDL as well as the recommended Spares.

For Indian Bidders:

- 1st stage: 90% of accepted contract amount (excluding the taxes, duties & levies for supply of 150T Shipyard Transporter) shall be made through ECS / NEFT / RTGS on receipt and acceptance of the Shipyard Transporter at MDL by the “Engineer”. The Contractor shall furnish the details for RTGS / NEFT / ECS payment.
- 2nd stage: Balance 10% of accepted contract amount (excluding the taxes , duties & levies for supply of 150T Shipyard Transporter) on Testing,



Commissioning and Handing over of the Shipyard Transporter to MDL
as well as the recommended Spares

14.5 Plant and Materials Intended for the Works

Delete the Clause.

14.7 Payment:

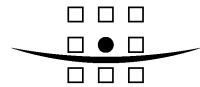
This sub-clause to be read as under

14.7.1 Payment for Foreign Bidders:

1st Stage: 80% Payment of accepted Contract amount (excluding the taxes, duties & levies for supply of 150 T Shipyard Transporter) shall be made through **Letter of Credit** against Bill of Lading and on acceptance of the Shipyard Transporter at Contractor's premises by Third Party Inspection Agency like IRS, ABS, DNV.

80% Payment against L/C shall be allowed on presentation of following documents through bank with a copy to MDL.

- (i) Set of original + 2 copies of signed Invoice showing item-wise prices as per the order.
- (ii) Set of Original + 2 copies of signed Packing List clearly showing list of items packed.
- (iii) Set of original + 2 copies Clean on Board Bill of Lading OR Air Way Bill made in the name of MDL's Bank and marked as freight to pay.
- (iv) Set of Original + 2 copies of Certificate of Approval OR Released Note from MDL nominated inspection agency.
- (v) Certificate of country of origin in Original + 2 copies.
- (vi) Original + 2 copies of Warranty Certificate in prescribed format.
- (vii) Performance Bank Guarantee in Original + 2 copies.
- (viii) Original + 2 copies of all manufacturer's test certificates/reports, drawings, manuals, procedures, etc. as relevant to the ordered item.
- (ix) Certificate confirming that Supplier has couriered/dispatched _____ sets of Non-negotiable Documents comprising of all Test reports / MTCs, Technical Documents, Drawings, Manuals, Procedures etc and of Signed Invoices, Packing Lists, Bill of Lading / AWB, MDL nominated Inspection Agency's Certificate of approval, Country of Origin Certificate, Warranty Certificate, Performance Bank Guarantee, directly to MDL.
- (x) Original + 2 copies of the Certificate issued by the classified society confirming seaworthiness of the vessel and that the shipment is made on vessels of not more than 15 years vintage. (Applicable in case of CIF contracts / orders agreed by MDL).
- (xi) Certificate issued by MDL confirming that the delivery is made in time and no penalty is applicable OR in case of delays, admissible amount of penalty will be specified by MDL in this certificate for a reduction of equal amount from supplier's invoice. (MDL will issue this certificate generally by FAX immediately on receipt of signed copy of invoice, packing list, approval certificate of the nominated inspection agency, date of the proposed shipment,



& copies of B/L or AWB or any other acceptable documents confirming supplier's readiness dispatch).

Certificate confirming that the shipping instructions (inclusive of packing) have been followed while packing / shipment and forwarding of details for insurance to MDL.

All the above documents should clearly indicate the Employer's Order No, Import Licence No. and Bill of Lading No.

2nd Stage: 10% of Accepted Contract amount (excluding the taxes, duties, levies for supply of 150 T Shipyard Transporter) by Telegraphic Transfer on receipt of item at MDL Yard.

3rd Stage: Balance 10% on testing, commissioning and handing over of the Shipyard Transporter to MDL as well as the recommended spares, by Telegraphic Transfer.

Note: The stage payment should be made in the proportion of currency specified in the Price Schedule.

Accordingly, it is recommended that contractor to arrange for 3rd party inspection at contractor premises for acceptance of Item, so that 80% payment can be released as per L/C.

Further bidder to **include the cost of 3rd party inspection** charges in their base price and to reflect the same in the **Price –Schedule which is being revised for inclusion of the same. (revise price schedule enclosed)**

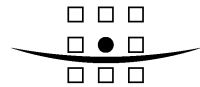
A sample format of the same is enclosed. For opening L/C, Suppliers should essentially furnish their clear and timely acceptance of the order. For opening L/C, all charges outside India shall be borne by the Beneficiary (supplier). In case supplier seeks L/C amendment for no fault of MDL or requires confirmation of L/C then all charges towards L/C amendment or confirmation of L/C respectively shall be borne by the supplier. L/C will allow payment on timely presentation of the above mentioned documents through bank.

All the documents should clearly indicated the Contract / Purchase Order No., Import Licence Number, Airway Bill / Bill of Lading Number.

Note: The Letter of Credit will be opened 30 days before the Scheduled date of Payment. However, the contractor to inform MDL/Employer at least 45 days in advance regarding the delivery/ likely date of Payment.

14.7.2 Payment to indigenous Bidders

Payment shall be made through ECS / NEFT / RTGS between 25-30 days after receipt of and acceptance of the Shipyard Transporter at MDL site along with recommended spares and on submission of documents in Triplicate including Delivery Challan(s), Test reports Guarantee / Warranty Certificates, Packing list, Invoice, Performance Guarantee, Storage / Preservation / Installation / Commissioning / Maintenance Procedures & Other Technical documentation in



requisite sets as relevant. Bidders shall furnish all the necessary details like name of the bank / branch code No. and account No. in their technical bid as per the format provided with the tender Enquiry.

14.8 Delayed Payment

In 2nd & 3rd line substitute the words “compounded monthly” with “by simple method”.

In 2nd line of 2nd paragraph substitute the words “calculated at the annual rate” with “calculated at the simple annual rate”.

Delete the 2nd paragraph “unless otherwise.....such currency” and read as “these financial charges shall be calculated @ 10% p.a. at simple interest for INR and @LIBOR monthly at simple rate for foreign currency.

14.9 Payment of Retention Money

The 2nd line in 2nd paragraph which reads as “outstanding balance of the Retention Money shall be certified by the Engineer for” with “outstanding balance of the Retention Money shall be due for”.

14.12 Discharge

Insert the following new paragraph at the end of Sub-Clause 14.12

“This discharge shall state that the Contractor has no claims against the Employer arising out of the Contract other than claims specifically identified, evaluated and accepted from the operation of release by the Contractor”.

14.15 Currencies of Payment

Delete sub-para (a) & (d).

15.2 Termination by Employer

Delete item (f) “ gives or offers to give relation to the Contract,” and replace with:-

The Contractor has in the judgement of the Employer, engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For the purpose of this Clause:

“corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official, or the threatening of injury to person, property or reputation, in connection with the procurement process or in contract execution in order to obtain or retain business or other improper advantage in the conduct of business; and

“fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the client, and includes collusive practices among tenderers (prior to or after tender submission) designed to establish tender prices at artificial, non-competitive levels and to deprive the client of the benefits of free and open competition.

15.4 Payment after Termination:

At the end add sub-paragraph:

“ (d) On termination of contract, amount advanced if any to the contractor or part thereof corresponding to the undelivered supply/ the work not completed , shall be recoverable from Tenderer / contractor at the prevailing bank interest rate.”

16.1 Contractors Entitlement to Suspend Works

Delete the clause.

16.2 Termination by the Contractor

Delete Sub Clause 16.2 (a).

16.4 Payment on Termination

Delete sub clause (a) “return thethe Contractor” and (c) “pay to the Contractorresult of this termination.”

17.1 Indemnities

Delete 2nd paragraph “The Employer shall indemnify.....and damage to property].”

17.4 Consequences of Employer’s Risks

In paragraph 2, delete Sub-Clause “(b) payment of any.....shall also be included” and read as “(b) payment of any such cost, which shall be included in the Contract Price”

18.1 General Requirements for Insurance

Delete the third paragraph “Wherever the Employer is.....particular conditions”.

Add the following at the end of sub-clause (b) of 6th paragraph:

“and sub-clause 18.4 [Insurance of Contractor’s Personnel] and copies of policies effected by Contractor’s sub-contractors and receipts of the current premium paid there under.”

18.2 Insurance for works and Contractors Equipment:

Delete the Clause.

19.2 Notice of Force Majeure

Delete paragraph 3, “Notwithstanding any.....under the Contract”.

19.4 Consequences of Force Majeure

From the 3rd line delete the words “and/or incurs Cost” and also delete Sub-paragraph (b) “if the eventpayment of any such Cost.”

19.6 Optional Termination, Payment and Release

Delete sub-clause (c) “any other.....the works”, (d) “the cost.....no greater cost, and (e) “the cost of repatriation.....at the date of termination”.

20.2 Appointment of the Dispute Adjudication Board

Delete the clause and replace with the following new paragraph

20.2 Engineer’s Decision

If a dispute of any kind whatsoever arises between the Employer and Contractor in connection with, or arising out of the Contract or the execution of the Works, whether during the execution of the Works or after their completion and whether before or after repudiation or termination of the Contract, including any dispute as to any opinion, instruction, determination, certificate or evaluation of the Engineer, the matter in dispute shall, in the first instance, be referred in writing to the Engineer. Such reference shall state that it is being made in accordance with this Clause. Within thirty (30) days of having received such notification the Engineer shall give notice of his decision to the Employer and Contractor. Such decision shall state that it is being made in accordance with this Clause.

Unless the Contract has already been repudiated or terminated, the Contractor shall in every case, continue to proceed with the Works with all due diligence and care, and both Employer and Contractor shall give effect to every decision of the Engineer unless and until the same shall be revised as hereinafter provided, in an amicable settlement or arbitrator’s award.

If either the Employer or the Contractor is dissatisfied with any decision of the Engineer, or if the Engineer fails to give notice of his decision on or before the thirtieth (30th) day after having received notification by either party, then either the Employer or Contractor, on or before the thirtieth (30th) day after the expiry of the thirtieth (30th) day give notice to the other party, with a copy for the information of the Engineer, of his intention to commence arbitration, as hereinafter provided, as a matter in dispute. Such notice shall establish the entitlement of the party giving the same to commence arbitration, as to such dispute and subject to provisions of this Clause, no arbitration in respect thereof shall be commenced unless such notice is given.

If the Engineer has given notice of his decision as to a matter in dispute to the Employer and the Contractor and no notice of intention to commence arbitration as to such dispute has been given by either the Employer or the Contractor on or before the thirtieth (30th) day after the day on which the Engineer’s decision was made, the said decision shall become final and binding upon the Employer and Contractor.

20.3 Failure to Agree Dispute Adjudication Board

Clause 20.3 will be deleted and not used.

20.4 Obtaining Dispute Adjudication Board's Decision

Clause 20.4 will be deleted and not used.

20.5 Amicable Settlement

Delete the Clause 20.5 and replace by the following Sub-Clause:

Where a notice of intention to commence arbitration as to a dispute has been given in accordance with Clause 20.2, arbitration of such dispute shall not be commenced unless an attempt has been made by the parties to settle the dispute amicably. Provided that, unless the parties otherwise agree, arbitration may commence on or before the fifty sixth (56th) day after the day on which notification by either party to commence arbitration was given, whether or not any attempt at obtaining an amicable settlement was made.

20.6 Arbitration

Delete the Clause 20.6 and replace by the following:

Any dispute in respect of which:

- (a) The decision, if any, of the Engineer has not become final and binding pursuant to Clause 20.2 and
- (b) Amicable Settlement has not been reached within the period stated in Clause 20.5 shall be finally settled under the rules of Indian Arbitration & Conciliation Act 1996 by three arbitrators, one appointed by each party and third Presiding Arbitrator. The said arbitrator/s shall have full power to open up, review and revise any decision, opinion, instruction, determination, certificate or valuation of the Engineer related to the dispute. The arbitrators as the case maybe, shall award their decision in person to the parties in dispute giving reasons for their decision on each and every dispute/claim referred. The arbitration proceedings shall be held in Mumbai. The cost of arbitration shall be shared equally by both parties regardless of its outcome.

Neither party shall be limited in the proceedings before such arbitrator/s to the evidence or arguments put before the Engineer for the purpose of obtaining his decision under Clause 20.2. No such decision shall disqualify the Engineer from being called as a witness and giving evidence before the arbitrator/s on any matter relevant to the dispute.

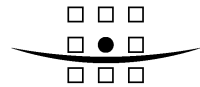
Arbitration may commence prior to or after completion of the Works, provided that the obligations of the Employer, the Engineer and the Contractor shall not be altered by reason of the arbitration being conducted during the progress of the Works.

20.7 Failure to Comply with Dispute Adjudication Board's Decision

Clause 20.7 will be deleted and not used.

20.8 Expiry of Dispute Adjudication Board's Appointment

Clause 20.8 will be deleted and not used.



PARTICULAR CONDITIONS OF CONTRACT

(B) ADDITIONAL CLAUSES TO THE GENERAL CONDITIONS OF CONTRACT

1 GENERAL PROVISIONS

1.1.6.10 Protected Place

“**Protected Place**” means the places identified or defined within the Defence of India Regulations 1914, which are effective upon commencement of the Works and any amendments made thereafter.

1.15 Jurisdiction of Courts:

All contracts shall be deemed to have been wholly made in Mumbai and all claims there under are payable in Mumbai City and it is the distinct condition of the order that no suit or action for the purpose of enforcing any claim in respect of the order shall be instituted in any Court other than that situated in Mumbai City, Maharashtra State, India i.e. courts in Mumbai shall alone have jurisdiction to decide upon any dispute arising out of or in respect of the contract.

1.2 Interpretation

Add Clause (e) after Clause (d) as follows :

(e) Approved means approved in writing and approval means approval in writing.

2.6 Book Examination

The Employer / Engineer has the right to examine the books of the Contractor, including the break-up of the data required.

4 THE CONTRACTOR

4.25 The Site is a Protected Place

The Site is a Protected Place under the Defence of India Regulations and no person shall be employed or allowed on the Site without the prior authority in writing of the Employer. All persons employed or allowed on the Site shall at all times conform with all regulations laid down by the Employer / the Engineer for personnel employed upon the Site.

4.26 Secrecy and Access to Employer’s Premises

The Contractor shall take all steps necessary to ensure that all persons employed on any work in connection with the Contract have noted that the Indian Official Secrets Act 1923 (XIX of 1923) Enclosure-1 applies to them and shall continue to apply even after completion of the Works under the Contract.

Passes for Contractor’s personnel and labour to work at the Employers premises and at the Site, will be issued by the Employer’s Security Department after clearance by the Employer’s Personnel Department and local police authorities. All Security and Safety Regulations of the Employer shall be strictly complied with.

4.27 Documents Relating to the Works

The Contractor shall not disclose to third parties, any details of the Works in the form of drawings, photographs, documents or correspondence of any kind, on which he is engaged without prior approval of the Employer.

4.28 Publicity

The Contractor shall not permit or allow any information regarding the Works herein embraced to be published in any scientific or engineering journal, newspaper, periodical, trade or other publication or broadcast on television and radio or by any other medium such as the internet.

6 STAFF AND LABOUR

6.12 Epidemics

In the event of any outbreak of illness of an epidemic nature, the Contractor shall comply with and carry out such regulations, orders and requirements as may be made by the Government, or local Municipal / medical or sanitary authorities for the purpose of dealing with and overcoming the same.

6.13 Sanitary Requirements of Local Authorities

The Contractor shall comply with the sanitary requirements of the local Municipal / Medical Health Authorities and bear the Cost of any charges levied by such authorities for the execution of work on the Contractors behalf.

6.14 Anti-Malaria Precautions

The Contractor shall carry out all anti-malarial instructions and precautions given to him by the Engineer or Local Authorities and shall bear the cost of any charges levied by Local Authorities.

6.15 Drinking Water

The Contractor shall make adequate supply and distribution arrangement of drinking and other water available at Site for his and his Sub-Contractor's supervisory staff and labour to the satisfaction of the Engineer.

6.16 Employment of Expatriate and Foreign Personnel

The Contractor shall ascertain the current Regulations in force from the appropriate authorities regarding the employment of expatriate or foreign personnel prior to bidding and ensure that the Contract Price includes all Costs in this respect.

The Contractor shall be responsible for the timely acquisition and subsequent maintenance of the necessary permits for all of his employees and those of his Sub-Contractor's who are required to work or reside in India at any time during the course of the Contract.

14 CONTRACT PRICE AND PAYMENT

14.16 Post Payment Audit

The Employer reserves the right until the end of the Defects Notification period to carry out a post-payment audit and technical examination of the final Contract Price including all supporting data.

If, as a result of such audit and technical examination, any overpayment is discovered in respect to any work done by the Contractor or alleged to have been done by him under the Contract, it shall be recovered by the Employer from the Contractor under the Contract. If any underpayment is discovered the amount shall be duly paid to the Contractor by the Employer.

14.17 No Responsibility Upon the Engineer for Payment

Nothing in this Contract or arising out of the relationship between the Employer and the Engineer shall place any responsibility upon the Engineer for any payment to the Contractor for in respect of the Works.

18 INSURANCE

18.5 Insurance for Design

Delete the Clause.

20 CLAIMS, DISPUTES AND ARBITRATION

20.9 Failure to Comply with Engineer's Decision

Where neither the Employer nor the Contractor has given notice of their intention to commence arbitration of a dispute within the period stated in Clause 20.2 and related decision has become final and binding, either party may, if the other party fails to comply with the decision, and without prejudice to any other rights it may have, refer the failure to the arbitration in accordance with Clause 20.2. The provision of Clause 20.1 shall not apply for such references.

INSERT THE FOLLOWING NEW CLAUSES:

21 NOTICES

- (a) Any notice to be given to the Contractor under the terms of the Contract shall be served by sending the same by registered post to or leaving the same at the Contractor's principal place of business (or at its registered office in the event of the Contractor being a Company)
- (b) Any notice to be given to the Employer under the terms of the Contract shall be served by sending the same by registered post to or leaving the same at the Employer's principal place of business (or at its registered office in the event of the Employer being a Company)

22 TERMINAL TAXES AND DUTIES

22.1 Foreign bidders.

All Taxes, Duties payable outside India to the Contractor's account. All taxes duties and Levies paid by the Foreign Bidder in India shall be reimbursed against proof of payment.

22.2 Indian Bidders.

The contractors have to indicate all applicable Taxes, Duties, and Levies in India as on Tender closing date. The taxes duties & levies on the input are to be included in the Base Price. Employer shall reimburse only the terminal taxes on the completed works. These will be reimbursed against proof of payment. The Tenderer may quote considering the input credit, which will be available to them. The Employer will not demand to pass on such credits to Employer.

Tax at Source (TDS) shall be deducted from the payments made to the Contractor towards income tax and Value Added Tax (VAT) on Works Contract (as levied by Government of Maharashtra) at prevailing rates. The Contractor shall obtain 'Tax Determination Certificate' in respect of Income tax on payments (Indian Rupee and foreign currencies) from Indian Income Tax authority and provide the same to the Employer before payment. Delay in producing 'Tax Determination Certificate' by the Contractor will not be considered as delay in payment by the Employer. Indian Income Tax (Corporate and TDS) is to be borne by the Contractor.

Nothing in the Contract shall relieve the Contractor from any responsibility to pay business taxes, income taxes or any other tax whatsoever that may be levied in India and/or Maharashtra State.

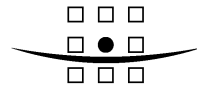
22.3 Income Taxes on Staff and Labour

The Contractor's staff, personnel and labour will be liable to pay personal income taxes in India in respect of such part of their salaries and wages as are chargeable under the laws and regulations for the time being in force and the Contractor shall perform such duties in regard to such deductions thereof as may be imposed on him by such laws and regulations.

22.4 Registration with Maharashtra state / central Govt.

The successful tenderer will be required to register under Maharashtra Sales Tax Act in the light of Maharashtra State Government directives / instructions. This registration should be in the name of the successful tenderer. An attested copy of the certificate for registration under the MST Act in the proforma prescribed by the State Government of Maharashtra (India) shall be submitted within 30 days of the receipt of notification of award from the Employer.

The successful tenderer shall register with Maharashtra State or Govt. of India or any other Statutory Authority as required. The documentary evidence of such registration shall be submitted to the Employer.



22.5 Increase / Decrease in Duties & Taxes during extension in time of completion

The Contractor will not be entitled to any increase in rate of duties, taxes & levies occurring during the period of extension in time of completion, if delay is attributed to the Contractor. However, if there is decrease in rates of duties, taxes & levies during the extended period, the Employer shall take the benefit of such reduction.

23 LIABILITY OF GOVERNMENT OF INDIA

It is expressly understood and agreed by and between the Contractor and the Employer that the Employer is entering into this Agreement solely on its own behalf and not on behalf of any other person or entity. In particular, it is expressly understood and agreed that the Government of India is not a party to this Agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the Employer is an independent legal entity with power and authority to enter into Contract solely in its own behalf under the applicable laws of India and general principles of Contract Law. The Contractor expressly agrees, acknowledges and understands that the Employer is not an agent, representative or delegate of Government of India. It is further understood and agreed that the Government of India is not and shall not be liable for any note, omissions, commissions, breaches or other wrongs arising out of the Contract. Accordingly, Contractor hereby expressly waives, releases and foregoes any and all action or claims, including cross claims, impleader claims or counterclaims against the Government of India arising out of this Contract and covenants not to sue the Government of India as to any manner, claims, cause of actions or things whatsoever arising of or under this Agreement.

24 AGENTS / AGENCY COMMISSION

The Tenderer / Contractor confirms and declare to the Employer his status as either the Original Manufacturer of equipment or as the Stockist / Supplier of the equipment / Machinery/Items referred to in this Contract and that he has not engaged any individual or firm, whether Indian or Foreign whatsoever, to intercede, facilitate or in any way to recommend to the Employer or any of its functionaries, whether officially or unofficially, to the award of the contract to the contractor / Supplier nor has any amount has been paid, promised, or intended to be paid to any such individual or firm in respect of any such intercession, facilitation, or recommendation. The Tenderer / Contractor shall agree that if it is established at any time to the satisfaction of the Employer that the present declaration is in any way incorrect or if at later stage it is discovered by the Employer that the Tenderer / Contractor has engaged any such individual / Firm and paid or intended to pay any amount, Gift, reward, fees, commission or consideration to such person, party, firm or institution, whether before or after the signing of this contract, the contractor / supplier shall be liable to refund that amount to the Employer. The Tenderer / Contractor will also be debarred from entering into any supply contract with the Employer for a minimum period of five years. The Employer will also have a right to consider cancellation of the contract either wholly or in part, without any entitlement or compensation to the Tenderer/Contractor who shall be in such event be liable to refund all payment made by the Employer, along with interest at the rate of 2% p.a. above the LIBOR. The Employer will also have the right to recover any such amount from any contract concluded earlier with the Employer.

PROFORMA SCHEDULES

SCHEDULE I

SCHEDULE II

SCHEDULE III

SCHEDULE IV

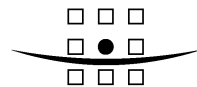
CONTENTS

Price Schedules

Subcontractors

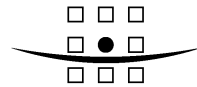
Deviations From Employers Requirements

Deviations From Conditions of Contract



SCHEDULE I: PRICE SCHEDULES (SAMPLE)

Item	General Summary Page	Total		
		Indian Rs.	Foreign Currency (FC) on FOB port of despatch.	Foreign Currency (FC) on CIF Mumbai
SHIPYARD TRANSPORTER:				
1	Part 'A' Supply of 150T Shipyard Transporter and Commissioning at MDL site. (This includes Design, Manufacture, Supply, Transport)			
2	Part 'B' Supply of recommended Spares for 5 years along with itemised list indicating unit, quantity, unit price.			
3	Cost of providing Service Engineers/ Foreign Specialist during Testing, commissioning and handing over the Shipyard Transporter MDL premises including till completion of defect liability.			
4	Cost of Third Party Inspection			
5	Total Base price - sr.no(1) to (4)			
6	Taxes & duties, levies on Part "A" Add: All applicable terminal Taxes, Duties & Levies for supply and commissioning at site <u>indicating the nature/type, and the percentages there of</u> , if required use separate sheet for clarity.			
7	Taxes & duties, levies for on Part "B" Add: All applicable terminal Taxes, Duties & Levies for supply of spares indicate the nature, break-up as per prevailing rates/ percentages			
8	Income tax, service tax for Sr.No.3.			
9	Total Price inclusive of all terminal taxes, duties & levies. i.e. Sr.no (5+6+7+8)			

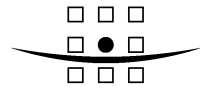


Item	General Summary Page	Total		
		Indian Rs.	Foreign Currency (FC) on FOB port of despatch.	Foreign Currency (FC) on CIF Mumbai
9	Total Price as per Sr.No.5 (AMOUNT CONSIDERED FOR COMPARISON OF TENDERS)	(In words)	(In words)	(In words)
8	ACCEPTED CONTRACT AMOUNT (Carried to Letter of Tender)			
	(i) For Indian Tenderer (as per Sr.No.5, where FC of Sr.5 is converted into equivalent INR at exchange rate of -----)	INR -----(Rs in words)----- -----		
	(ii) For Overseas Tenderer as per Sr.No.5 (FOB price)	INR-----	FE-----	
	Contractors Name..... Contractors address Tele..... Fax..... Signature.....with stamp&seal..... Witness.....			

Note:

1. Indian Bidders:

(1) Please note that terminal taxes, duties & levies on supply of completed Shipyard Transporter and Spares for 5 years shall be reimbursed by the Employer / Purchaser subject to documentary evidence. Bidders to indicate the nature of taxes, Duties & levies considered by them along with the applicable percentages. For example Custom Duty---%, CVD----% , Additional duty, surcharge, Educational cess,) Octroi----%, VAT---%,



ROYAL HASKONING

Income-tax & service tax in respect of Foreign specialist to be provided during Installation, Testing, commissioning of Shipyard Transporter at MDL site etc.

2. Foreign Bidders:

(1) Please quote the price on FOB (port of Despatch) and CIF Mumbai basis. The terminal taxes, duties & levies as applicable in India on import of Shipyard Transporter and Spares for 5 years shall be borne by the Employer or reimbursed on documentary evidence. However, All Taxes, Duties payable outside India to the Contractor's account.

2. The price at sr.no.1 of the price schedule should be inclusive of the cost of services to be provided by the supplier in Employer's premises till completion of Guarantee/ defect liability period.

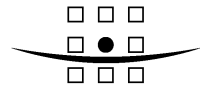
3. **Tenderer to submit the itemised list of Spares indicating quantity, unit and unit prices along with the Price bid (Part-II) while the itemised list with the Prices blanked along with the Technical –BID(Part-I)**

SCHEDULE II: SUBCONTRACTORS(IF APPLICABLE)

Element of Work	Approximate Value (to be completed only for the Price Bid)	Name & Address of Subcontractor	Statement of Similar Works Previously Executed by the Subcontractor

Notes:

1. The tenderer shall enter in this Schedule a list of the items of work that he intends to sub-contract and appropriate value of the work for which he proposes to use sub-contractors, together with the names and addresses of the proposed subcontractors. The tenderer shall also enter a statement of similar works previously executed by the proposed subcontractors, including description, location and value of work, year completed, and name and address of the employer/engineer. Notwithstanding such information the tenderer, if awarded the Contract, shall remain entirely and solely responsible for the satisfactory completion of the Works.



ROYAL HASKONING

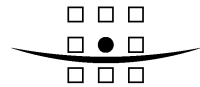
SCHEDULE III: DEVIATIONS FROM EMPLOYERS REQUIREMENT

All deviations from Technical Requirements shall be filled in by the tenderer clause by clause in this Schedule. If deviations are discussed in the covering Letter of Tender, then reference to the said letter shall be made below.

Item No. (or Clause No.)	Specification requirement of the Employer	Deviation by the tenderer	Reason for proposed deviation	Price Tag in Rupees / foreign currency (+ or -)
(1)	(2)	(3)	(4)	(5)

The tenderer hereby certifies that the above mentioned are the only deviations from the Technical Requirements of the Tender.

SIGNATURE _____
NAME _____
DESIGNATION _____
COMPANY SEAL COMPANY _____
DATE _____



CONTRACT AGREEMENT

This agreement made theday of20.....

Between.....of.....
.....(hereinafter called “the Employer” of the one part,

and.....of.....
.....(hereinafter called “the Contractor”) of the other part

Whereas the Employer desires that the Works known as
should be executed by the Contractor, and has accepted a Tender by the Contractor for
the execution and completion of these Works and the remedying of any detects therein,

The Employer and the Contractor agree as follows

In this Agreement words and expressions shall have the same meanings as are
respectively assigned to them in the Conditions of Contract hereinafter referred to.

The following documents shall be deemed to form and be read and construed as part of
this Agreement:

The letter of Acceptance dated

The Letter of Tender dated.....

The addenda nos.....

The Conditions of Contract

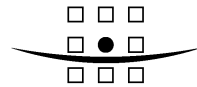
The Employers Requirements

The completed Schedules, and

The Contractor’s Proposal

In consideration of the payments to be made by the Employer to the Contractor as
hereinafter mentioned, the Contractor hereby covenants with the Employer to design,
execute and complete the Works and remedy any defects therein, in conformity with the
provision of the Contract.

The Employer hereby covenants to pay the Contractor, in consideration of the execution
and completion of the Works and the remedying of defects therein, the Contract price at
the times and in the manner prescribed by the Contract.



ROYAL HASKONING

CONTRACT AGREEMENT CONT'D

In Witness whereof the parties hereto have caused this Agreement to be executed the day and year before written in accordance with their respective laws.

Signed by.....
For and on behalf of the Employer
(who is acting on behalf of Indian Navy)

Signed by
For and on behalf of the Contractor

in the presence of
Witness.....
Name.....

in the presence of
Witness.....
Name.....

.....

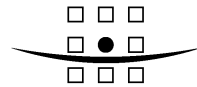
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Date.....

Date.....



TENDER SECURITY

(Format for Bank Guarantee)

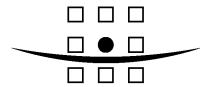
WHEREAS M/s. _____ intend to submit a Tender (hereinafter called the Tender) to M/s. Mazagon Dock Limited (MDL, hereinafter named Company) for the invitation to tender by MDL vide reference no. _____ dated _____ for the requirement of _____ (equipment, items, materials etc.)

Now, by this letter, we the undersigned (Bank's Name and address) whose registered office is at: _____ bind ourselves unconditionally and irrevocably for payment to M/s. Mazagon Dock Limited of the sum of (currency / amount) as Earnest Money Deposit to indemnify MDL in case of default. The conditions of the above obligations are such that if M/s. _____ shall not keep their Tender being submitted to Mazagon Dock Limited as set forth in the instructions to Tenderers valid and unaltered until six months from the due date _____ of the tender, viz. _____ refused to sign a formal agreement in accordance with the terms of the tender or after having signed the agreement does not perform the ORDER/ CONTRACT, then this obligation remains in full force and effect, otherwise to be null and void.

In case this obligation is effective, we, (Bank's Name) undertake to pay to M/s. Mazagon Dock Limited any amount up to the above indicated sum, upon written request, without any demur or protestation and without reference to M/s. _____ within 15 days from the date of such demand in any manner in which the Company may direct and also without the necessity of instituting and proceeding whether judicial or otherwise, at any time upon the ORDER/ CONTRACT committing any one or more of the following:

- (a) Withdraws his tender during the validity period or any extension sought / granted thereof, or
- (b) If the ORDER/CONTRACT varies or, modifies his tender in a manner not conforming to Tender Conditions and / or not acceptable to MDL during the validity period or any extension of the validity duly agreed to by the bidder, or
- (c) If a bidder whose offer has been accepted fails to furnish Performance Security within twenty-eight days after receiving Letter of Acceptance from the Company or by the date mutually agreed to whichever is later.

We, (Bank's Name), agree that our liability to pay is not dependant on conditions on your proceedings against the ORDER/ CONTRACT and we shall be liable to pay an amount not exceeding the aforesaid amount as and when demanded by you merely on claim being raised by you and even before any legal proceedings are taken against the ORDER/ CONTRACT.



ROYAL HASKONING

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 reasons of dissolution or winding up of the business of the ORDER/ CONTRACT or any change in the constitution or composition of the ORDER/ CONTRACT.

This guarantee shall remain valid, in case the Tender is accepted, until the due performance of the ORDER/ CONTRACT resulting from such acceptance inclusive of furnishing Security Deposit in a manner specified by MDL and in any other case until _____. (offer validity date + 35 days beyond the validity of offer)

We, (Bank's Name), have power to issue guarantee in your favour under Memorandum and Articles of Association and the undersigned has full power to do so under the Power of Attorney dated _____ granted to him by the Bank.

After the here above mentioned date, the Guarantee shall lapse automatically without necessity to be returned to the Bank.

Date

Signature of a person duly authorised to sign on behalf of the Bank, with Seal of the Bank

Telephone No :

Fax No :

Name & Designation of officer
Of issuing Bank :

* INDIGENOUS VENDORS TO SUBMIT ON NON_JUDICIAL STAMP PAPER OF RS. 100.00 FROM NATIONALISED/SCHEDULED BANK ONLY

** FOREIGN VENDORS TO SUBMIT ON LETTERHEAD OF BANK OF INTERNATIONAL REPUTE.

**PERFORMANCE SECURITY
(FORMAT OF BANK GUARANTEE)**

THIS DEED OF GUARANTEE executed at Mumbai _____ day of month _____ of (the year) by the Bank of (Bank's name and address)) (hereinafter called the 'SURETY' which expression shall include its heirs, successors, administrators, and assigns) of the ONE PART in favour of M/s. MAZAGON DOCK LIMITED, Dockyard Road, Mazagon, Mumbai 400010, a Company registered under the Indian Companies Act, 1913 (hereinafter called the 'PURCHASER' which term shall include its heirs, successors, administrators and assigns) of the OTHER PART.

WHEREAS M/s. (Firm's Name) registered under _____ having its Registered Office (Firm's address) (hereinafter called the 'CONTRACTOR' which expression shall include its heirs, successors, administrators and assigns) have accepted an Order / entered into a Contract vide Ref. No. _____ dated _____ (hereinafter called the said Order / Contract) with the purchaser for the supply, delivery at site, installation, commissioning and handing over of certain equipment, item, material etc., as stated in the said Order / Contract as per the terms and conditions provided in the Order / Contract.

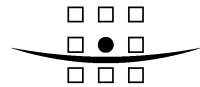
AND WHEREAS under the said Order / Contract the Contractor is required to furnish a Bank Guarantee for (currency / amount) (In Words) being ten percent of the Order / Contract price of (currency / amount) as specified in the said Order / Contract for the execution of the said Order / Contract till all defects are remedied.

NOW THIS DEED WITNESSES AS FOLLOWS:

In pursuance of the terms and conditions of the said Order / Contract and on the request of the Contractor, we the Surety do hereby undertake to pay to the Purchaser on demand without any demur the sum of (Currency/Amount) (In Words) being ten percent of the Order / Contract price in the event of the Contractor failing to fulfil any of the terms and conditions of the said Order / Contract.

We, the Surety, do hereby agree that the Purchaser shall be the sole judge to decide whether the Contractor has committed a breach of any of the terms or conditions of the said Order / Contract and that the decision of the Purchaser will be final and binding on the Surety. The Purchaser and the Contractor shall be at a liberty to carry out any modifications in the said Order / Contract during the currency of the said Order/Contract and any extensions thereof and any such modifications will be duly intimated to the Surety. Any accounts settled between the Contractor and the Purchaser shall be conclusive evidence against the Surety of the amount due and shall not be questioned by the Surety.

We, the Surety, further agree that the guarantee herein contained shall remain in full force and effect for a period upto (the date 6 months after the (expiry of the Defect Notification Period of the work) and that the guarantee shall continue to be enforceable till all the obligations under or arising by virtue of the said Order / Contract



ROYAL HASKONING

have been fully discharged by the Contractor till the Purchaser certifies in writing that the terms and conditions of the said Order / Contract have been fully and properly carried out by the Contractor. We the Surety, further undertake not to revoke this guarantee during the currency of the same except with the previous consent of the Purchaser in writing.

We, the Surety, further agree that liabilities and obligations of the Surety arising under or by virtue of this bond shall not be discharged by any variation of the terms or conditions of the said Order / Contract by any grant of time given or any indulgence shown by the Purchaser to the Contractor. It is agreed that the liabilities under this guarantee shall not exceed (currency/amount) (In words).

This guarantee shall remain in full force till _____ (defect liability period + 35 days beyond the defect liability period)

Date:

Signature of a person duly authorised to sign on behalf of the Bank with Seal of the Bank

Telephone No :

Fax No :

Name of Contact Person :

* INDIGENOUS VENDORS TO SUBMIT THIS SECURITY BANK GUARANTEE ON NON-JUDICIAL STAMP PAPER OF RS. 100.00 FROM NATIONALISED / SCHEDULED BANK ONLY.

** FOREIGN VENDORS TO SUBMIT THIS SECURITY BANK GUARANTEE ON LETTERHEAD OF BANK OF INTERNATIONAL REPUTE.

ENCLOSURE-1: EXTRACT OF PROVISIONS OF THE OFFICIAL
SECRETS ACT, 1923

SECTION 2(B); "PROHIBITED PLACE"

It is defined as the place of any work of Defence Dockyard and other so belonging or occupied and used for the purpose of building, repairing, making or storing any ammunitions of war.

For the purpose of the above definition, sketch includes any photograph or other mode of representing any place or thing.

SECTION 3: "PENALTIES FOR SPYING"

If any per unlawfully -

- a) approaches, inspects, passes over or is in the vicinity of any clear place; or
- b) make any sketches intended to be directly or indirectly useful to an enemy ; or
- c) obtains, collects, records or communicates to any other person any secret official code.

Shall be liable for imprisonment of 14 years in case of Defence Installation.

SECTION 4: "COMMUNICATION WITH FOREIGN AGENTS"

If Any person has been in communication with or attempted to communicate with foreign agents regarding the vital information of any "PROHIBITED PLACE" would be guilty of violating the provisions of this Act.

SECTION 5: "WRONGFUL COMMUNICATION OF INFORMATION"

If any person having in his possession or control any official document;

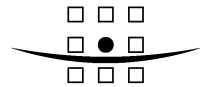
- a) Willfully communicates to any person, other than a person, who is authorised to communicate it.
- b) Used the information in his possession for the benefit of any foreign power.
- c) Retain in his possession when he has no power to retain it
- d) Fails to take reasonable care of it.

Shall be guilty of an offence under this Act.

SECTION 6: "UNAUTHORISED USE OF UNIFORMS"

If any person for the purpose of gaining admission or of assisting any other person to gain admission to a "PROHIBITED PLACE" wears uniforms without lawful authority shall be guilty of offence under this Section.

SECTION 7: "INTERFERING WITH OFFICERS OF POLICE"



No person in the vicinity of any “PROHIBITED PLACE” shall abstract any Police Officer engaged on guard, sentry or similar duty. If any person move in the provisions of this section, shall be punishable with imprisonment, which may extend up to 3 years.

SECTION 8: “DUTY OF GIVING INFORMATION”

It shall be duty of every person to give on demand to a superintendent of Police or any other Police Officer not below the rank of Inspector, any information in his power relating to an offence under this Act.

If any person fails to give such information, shall be punishable with imprisonment to 3 years or fine or with both.

SECTION 9: “INCITEMENT”

Any person who attempts to commit or debate the commission of an offence under this Act shall be punishable with the same punishment and be liable to be proceeded against in the same manner as if he had committed such offence.

SECTION 10: “PENALTY FOR HARBOURING SPIES”

If any person whom he knows or has reasonable grounds for supposing to be person who is about to commit or who has committed offence under this Act shall be guilty of offence under this Section.

SECTION 11: “SEARCH WARRANTS”

If a presidency Magistrate, Magistrate First Class or Sub-Divisional magistrate is satisfied with the information that there is reasonable ground for suspecting that an offence under this Act has been or is about to be committed, he may grant search warrant to any Police Officer to enter at any time any premises to force to search premises or the places.