

Date :- _____

To,
GMDC Limited
A Govt. of Gujarat Enterprise
KhanijBhavan
132 ft. Ring Road
Near University Ground
Vastrapur
Ahmedabad-380 052

Sub :Undertaking for issue of Bank Guarantee

Dear Sir,

In pursuance of the contract between the undersigned and GMDC Limited for purchase of _____ from GMDC Limited, I / we hereby give an unconditional Bank Guarantee bearing No. _____ dated _____ issued by _____ Bank for Rs. _____ towards such sums payable by the undersigned as mentioned in the said Bank Guarantee.

I / we undertake that undersigned shall ensure the payments against various invoices/Debit Notes/Other Charges to be deposited and credited in GMDC's bank account on or before the respective due date, failing which GMDC will be at liberty to encash the Bank Guarantee for the amount(s) in default as well as interest/other charges.

Thanking you,

Yours faithfully,

Signature

Name of the Company

Enclosed: Original Bank Guarantee.

FORMAT OF BANK GUARANTEE

Ref. No. : _____

Date : _____

From (Name and address of issuing banker) :

To,
GMDC Limited
A Govt. of Gujarat Enterprise
Khanij Bhavan
132 ft. Ring Road
Near University Ground
Vastrapur
Ahmedabad-380 052

Unconditional Bank Guarantee No. _____
Unconditional Bank Guarantee Amount Rs. _____
Date of Issue _____
Valid upto _____
Claim Period upto _____

Dear Sir,

- 1) In consideration of Contract executed or to be executed from _____ and expiring on _____ for sale and supply of _____ by GMDC Limited (hereafter referred to as "GMDC") from any of its mines/plants/branches/stockyards presently located or to be located in future, all over India, to plant/locations of M/s. _____, having registered office at _____ (hereafter referred to as "our Client" or "the Client"), We, _____ (name of banker) having registered office at _____ (address) and having branch at _____ (address of the branch) at the request of the Client, do hereby absolutely and unconditionally guarantee the due payment of all sums, due and payable on default, by the client, to GMDC, to the extent of Rs. _____ (Rupees _____ only), under the contracts executed or to be executed as aforesaid, whether such sums be due and payable on account of either earnest money deposit/security or of the price of the goods as dispatched and/or delivered by GMDC or otherwise found due and payable by the Client, by virtue of any contract relating to the same or otherwise on any count

whatsoever, including any loss, damage, compensation, costs, applicable taxes and duties, penalty(ies), charges, supplementary final invoices/bills, interest and other expenses payable by the Client, forthwith, on demand, unconditionally, without any demur, protest, objection, delay of any kind, whatsoever, without any reference to the Client or for that matter, inspite of any objection by the Client, of whatsoever nature.

- 2) We agree that the decision of GMDC as to any sum 'due and payable on default', by the Client, on any count whatsoever, as contained in the letter of demand, issued by GMDC, (sent either by hand/post/e-mail) as received by us, will be final and binding upon us, and will not be questioned in any manner. Any such letter containing a demand, stating that a particular / specified sum is 'due and payable on default', will be a good and valid demand and the amount as specified therein will be immediately paid/deposited/credited forthwith, unconditionally, by Us, without any reference to the Client, into account No. _____ of GMDC with _____ Bank, _____ (IFSC _____).
- 3) This guarantee shall be a continuing guarantee, but our total liability hereunder shall not exceed _____ and, within the said limit, this guarantee shall be applicable to all money(ies) that may become payable by the Client as demanded by GMDC. It is hereby expressly agreed and declared that GMDC will have the fullest liberty to claim payment of the amount(s) from time to time under this guarantee subject to the ceiling limit of _____ as referred to above and that this guarantee shall not become in fructuous because of partial payment(s) made by us to GMDC pursuant to demand(s) made by GMDC upon us from time to time and it is further declared that this guarantee shall hold good in favor of GMDC to the extent of balance amount covered under this guarantee, till such time it is fully exhausted.
- 4) Our obligations under this guarantee shall continue in full force and effect notwithstanding (a) any change in the constitution or style of our Client or (b) your granting time or any other indulgence to the Client.
- 5) This guarantee shall remain full force upto _____ and, notwithstanding anything contained herein before; the Bank's liability under this guarantee shall be restricted to _____.
- 6) The claim period under this Bank Guarantee will be six months (180 days) from the date of the expiry of this Bank Guarantee. Unless a claim is filed in writing as aforesaid on or before _____, all rights of GMDC under this guarantee shall be forfeited and we shall be relieved of and discharged from all liabilities hereunder after making payment(s) towards amount(s) demanded from time to time.

- 7) The Letter of demand can be signed and issued by General Manager (Marketing) or any authorized officer of GMDC in this behalf or any other person authorized by Managing Director of GMDC.
- 8) We further agree that GMDC will have the unconditional, irrevocable, unabridged and complete liberty, without affecting in any manner our obligations hereunder, to vary any of the terms and conditions of the contract/allotment.
- 9) We undertake not to revoke/amend/issue addendum to this Bank Guarantee during its currency without previous consent of GMDC in writing.
- 10) In case of any dispute arising out of or in connection with this Bank Guarantee or its encashment, the Court in Ahmedabad alone shall have jurisdiction.
- 11) The Bank and this branch has power to issue this guarantee in favor of you and the undersigned has full powers to do so.

Yours faithfully,

Place : _____

[Branch/Bank particulars with address, phone numbers and e mail IDs of contact person(s)]

Date : _____

Note :

- (1) Bank guarantee issued by any Nationalized Bank and/or approved by Government of India in India having branch at Ahmedabad and endorsed by Ahmedabad branch of the bank shall only be acceptable.
- (2) The bank guarantee should be on requisite stamp paper of appropriate value, taken in the name of the bank.

**Acceptance of Bank
Guarantee as Security Deposit
and Earnest Money Deposit.**

Government of Gujarat

Finance Department

GR. No.: EMD/10/2014/570/DMO

Date: 01/04/2015

Read: FD GR. No.: EMD/10/2013/655/DMO Dt. 31/03/2014

Preamble:

Tendering authorities of the State Government and its Boards/Corporations/Societies/PSUs frequently take Bank Guarantee from the bidders towards Security Deposit (SD) and Earnest Money Deposit (EMD). State Government had issued the list of eligible banks for the financial year 2014-15 vide above mentioned resolution of this department Dt. 31-03-2014.

After careful consideration, the Government has decided to approve the list of Banks whose Bank Guarantees would be accepted in the financial year 2015-16 and it has now been decided to resolve as follows:

Resolution:

Government Departments and its Boards/Corporations/Societies/PSUs would accept Bank Guarantee [towards Security Deposit (SD) and Earnest Money Deposit (EMD)] issued by any of the bank included in the **Annexure I**, attached to this Resolution.

The tendering authority will be required to ascertain the authenticity of the Bank Guarantee and set up necessary internal control procedures.

By order and in the name of the Governor of Gujarat



(Rajesh Manjhu)

Joint Secretary (Budget)

Finance Department

To,

- The Secretary to the Governor of Gujarat, Raj Bhavan, Gandhinagar.
- The Principal Secretary to Hon. Chief Minister.
- PS to Hon. Finance Minister.
- PS to all Hon. Ministers, State Ministers and Deputy Ministers.
- PS to Leader of Opposition Party
- Secretary, Legislative Assembly Secretariat, Gandhinagar.
- PS to Chief Secretary.
- PS to Additional Chief Secretary Finance Department.
- PS to Principal Secretary (Economic Affairs), Finance Department
- PS to Principal Secretary Expenditure, Finance Department.
- PS to Joint Secretary (Budget).
- All Administrative Departments, Sachivalaya, Gandhinagar.
- All Heads of Department.
- All Public Sector Enterprises of the State.
- All State's Boards/Corporations/Societies.
- Accountant General-I (Audit) Gujarat, Ahmedabad.
- Accountant General (A&E) Gujarat, Ahmedabad.
- Accountant General-II (Audit) Gujarat, Rajkot.
- Accountant General (A&E) Gujarat, Rajkot.
- Chief Information Officer, Finance Department.
- All Joint Secretary / Deputy Secretary / Under Secretary of Finance Department.
- All Branches, Finance Department (Including Finance Branches).
- System Manager, Finance Department for put up on GSWAN website.
- Select File DMO-Finance Department.

Annexure I.

Finance Department, GR. No.: EMD/10/2014/570/DMO

Date: 01/04/2015

(A) Guarantees issued by following banks will be accepted as SD/EMD on permanent basis.

1. All Nationalized Banks including the Public Sector Bank- IDBI Ltd.
2. Private Sector Banks - AXIS Bank, ICICI Bank and HDFC Bank.

(B) Guarantees issued by following Banks will be accepted as SD/EMD for period up to March 31, 2016. The validity cut-off date in GR is with respect to date of issue of Bank Guarantee irrespective of date of termination of Bank Guarantee.

1) Commercial Banks

1. Kotak Mahindra Bank
2. YES Bank
3. RBL Bank (The Ratnakar Bank Ltd.)
4. IndusInd Bank
5. Karur Vysya Bank
6. DCB Bank
7. FEDERAL Bank
8. SOUTH INDIAN Bank

2) Co-operative and Rural Banks

1. The Kalupur Commercial Co-Operative Bank Ltd.
2. Rajkot Nagarik Sahakari Bank Ltd.
3. The Ahmedabad Mercantile Co-operative Bank Ltd.
4. The Mehsana Urban Co-Operative Bank Ltd.
5. Nutan Nagarik Sahakari Bank Ltd.
6. Dena Gujarat Gramin Bank

All the eligible banks are instructed to collect the original documents/papers of guarantee from the concerned tendering authority.



(Rajesh Manjhu)

Joint Secretary (Budget)
Finance Department

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