

FORMAT (*/**)

PROFORMA BANK GUARANTEE FOR SECURITY DEPOSIT

THIS DEED OF GUARANTEE made 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 Messers MAZAGON DOCK LIMITED, Dockyard Road, Mazagon, Mumbai – 400 010, 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 and commissioning of certain equipment, item/services/civil works 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 **five** percent of the Order / Contract price of *(currency / amount)* as specified in the said Order / Contract for the execution of the said Order / Contract as per Order / Contract terms.

NOW THIS DEED WITNESSES AS FOLLOWS WITHOUT ANY DEMUR:

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 fulfill any of the terms and conditions of the said Order / Contract.

We, the Surety, do hereby irrevocably and unconditionally 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 that would be taken for completion of the Order / Contract, by the Contractor under the said Order / Contract and that the guarantee shall continue to be enforceable till all the obligations under or arising by virtue of the said Order / Contract 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 said 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 Contractor 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 force till _____ unless a claim or demand is made on us in writing on or before (validity + ---- weeks), we will be relieved and discharged from all liability thereunder.

This guarantee shall be governed by Indian laws and the Courts at Mumbai, India alone shall have the jurisdiction

Date:

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

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

**FOREIGN VENDORS TO SUBMIT THIS SECURITY DEPOSIT BANK GUARANTEE ON LETTER HEAD OF BANK OF INTERNATIONAL REPUTE.