

## **BANK GUARANTEE FOR SECURITY DEPOSIT**

THIS DEED OF GUARANTEE made on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ BY \_\_\_\_\_ (hereinafter called “the Bank”) of the ONE PART in favour of **THE SHIPPING CORPORATION OF INDIA**, etc. of the OTHER PART;

WHEREAS by an Agreement No. \_\_\_\_\_ dated \_\_\_\_\_ - made between \_\_\_\_\_ carrying on business in partnership/company etc. under the firm/co. name of \_\_\_\_\_ at \_\_\_\_\_ (hereinafter called “the Contractor”) and the said The Shipping Corporation of India Limited, the Contractor has undertaken execution of all work contained in the agreement hereinbefore referred (hereinafter called “the said contract”);

AND WHEREAS in accordance with the Security Deposit clause of the said contract the Contractor is desirous of furnishing a Bank Guarantee in the sum of US Dollars \_\_\_\_\_ towards security deposit valid upto six months beyond the date of completion of the contract.

AND WHEREAS The Shipping Corporation of India Limited had agreed to accept a guarantee from the said Bank on express condition that the Bank shall unconditionally and on demand from The Shipping Corporation of India Limited and without demur pay to The Shipping Corporation of India Limited the aforesaid sum of US Dollars \_\_\_\_\_.

AND WHEREAS at the request of the Contractor the Bank has agreed to give its guarantee as hereinafter contained;

NOW THIS DEED WITNESSETH as follows:

1. In consideration of the premises the Bank hereby undertakes to pay to The Shipping Corporation of India Limited on demand and without protest the sum of US Dollars \_\_\_\_\_.
2. The Bank shall pay to The Shipping Corporation of India Limited on demand the sum under clause 1 above without demur and without requiring. The Shipping Corporation of India Limited to invoke any legal remedy that may be available to

it, it being understood and agreed FIRSTLY that The Shipping Corporation of India Limited be the sole judge of and as to whether the Contractor has committed breach or breaches, if any, of the terms and conditions of the said contract and the extent of loss, damages, costs, charges and expenses caused to or suffered by or that may be caused to or suffered by The Shipping Corporation of India Limited from time to time and its demand in that regard shall be final and binding on the Bank AND SECONDLY that the right of The Shipping Corporation of India Limited to recover from the Bank any amount under this guarantee shall not be affected or suspended by reason of the fact that any dispute or disputes have been raised by the Contractor with regard to their liability or that proceedings are pending before any Tribunal, arbitrator(s) or court with regard thereto or in connection therewith AND THIRDLY that the Bank shall immediately pay the sum under clause 1 above to The Shipping Corporation of India Limited on demand and it shall not be open to the Bank to know the reasons of or to investigate or to go into the merits of the demand or to question or to challenge the demand or to know any facts affecting the demand AND LASTLY that it shall not be open to the Bank to require proof of the liability of the Contractor to pay the amount, before paying the sum demanded under clause 1 above.

3. The guarantee shall come into force immediately and continue in force and remain valid till six months after the completion of all works under the said contract, which according to the terms of the said contract, should be six months from the probable date of completion viz., \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_. If, however, the period of the completion of the works under the said contract is for any reason extended and upon such extension if the Contractor fails, before the term of this guarantee expires, to furnish a fresh or renewed guarantee for the extended period, the Bank shall pay to The Shipping Corporation of India Limited the said sum of US Dollars \_\_\_\_\_ or such lesser sum The Shipping Corporation of India Limited may demand.
4. This Guarantee shall not be affected by any change in the constitution of the Bank or of the Contractor.

5. The Shipping Corporation of India Limited and the Contractor will be at liberty to carry out any modifications to the said contract during the term of the said contract and any extension thereof, and notice of such modifications and extensions to the Bank is hereby waived by the Bank and will not affect in any manner liability of the Bank to pay to The Shipping Corporation of India Limited under this Deed of Guarantee.
  
6. Notwithstanding anything hereinbefore contained, the liability of the Bank under this Guarantee is restricted to US Dollars \_\_\_\_\_ (US Dollars \_\_\_\_\_ only) and the Guarantee shall remain in force till the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ unless claim or demand under this Guarantee is presented to the Bank within six months from the date of completion of the \_\_\_\_\_ and thereto the Bank shall be released and discharged from all obligations hereunder.

IN WITNESS WHEREOF