

### **Format of Bank Guarantee for Security Deposit**

1. In consideration of the HINDUSTAN AERONAUTICS LTD., \_\_\_\_\_ Division (hereinafter called as "HAL") having agreed to exempt \_\_\_\_\_ [hereinafter called "the said Contractor/ Supplier(s)"] from the demand, under Agreement/Contract/Order No. \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter called "the said Agreement" said Contract/ said Order), made between \_\_\_\_\_ and \_\_\_\_\_ for \_\_\_\_\_ (indicate the scope of supply) of security deposit for the due fulfillment by the said Contractor/Supplier(s) of the terms and conditions contained in the said Agreement/ Contract/ Order, on production of a bank Guarantee for \_\_\_\_\_ (indicate the amount in Rs / Foreign Currency)( , Only), We, \_\_\_\_\_, (hereinafter referred (indicate the name of the bank) to as "the Bank") at the request of \_\_\_\_\_ [contractor/supplier(s)] do hereby undertake to pay to HAL an amount not exceeding \_\_\_\_\_ (indicate the amount in Rs / Foreign Currency) against any loss or damage, costs, charges and expenses, claims caused to or suffered or would be caused to suffered by HAL by reason of any breach by the said Contractor/ supplier(s) of any of the terms or conditions contained in the said Agreement/ Contract/ Order.

2. We, \_\_\_\_\_ (indicate the name of the bank) do hereby unreservedly, irrevocably undertake to pay the amounts due and payable under this guarantee without any demur, merely on demand from HAL within fifteen (15) days of such demand stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by HAL by reason of breach by the said contractor(s)/supplier of any of the terms or conditions contained in the said Agreement./Contract/Order or by reason of the contractor(s)' failure to perform the said Agreement/ Contract/ Order. Any such demand made on the bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding \_\_\_\_\_ (indicate the amount in Rs / Foreign Currency)

3. We undertake to pay to HAL an amount not exceeding \_\_\_\_\_ (indicate the amount in Rs / Foreign Currency) so demanded notwithstanding any dispute or disputes raised by the contractor(s)/supplier(s) in any suit or proceeding pending before any Court or Tribunal relating thereto, Our liability under this guarantee being absolute and unequivocal.

4. We, \_\_\_\_\_ (indicate the name of bank) further agree with HAL that HAL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Agreement/ Contract/ Order or to extend time of performance by the said contractor/supplier(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by HAL against the said Contractor(s)/supplier and to forbear or enforce any of the terms and conditions relating to the said agreement/contact/order and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor/supplier(s) or for any forbearance, act or omission on the part of HAL or any indulgence by HAL to the said Contractor/supplier(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

5. We, \_\_\_\_\_ (indicate the name of bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of HAL in writing and agree that any change in the constitution of the said contractor(s)/Supplier(s) or Bank shall not discharge the Bank of its liability under this deed.

6. The validity of Bank Guarantee shall be up to \_\_\_\_\_ (dd/mm/yy) and such date shall be 60 days after the last delivery/Services against the contract. The Bank Guarantee shall continue to be enforceable till all the dues of HAL under or by virtue of the said Agreement/contact/order have been fully paid and its claims satisfied or discharged or till HAL certifies that the terms and conditions of the said Agreement/contact/order have been fully and properly carried out by the said contractor(s)/ supplier and accordingly discharges this guarantee.

7. This Bank Guarantee shall be governed by and constitute in accordance with Indian Law and shall be subject to exclusive Jurisdiction of Indian Courts.

8. Dated the \_\_\_\_\_ day of \_\_\_\_\_ for \_\_\_\_\_ (indicate the name of the Bank)