

This Guarantee made this _____ day of _____ is given by

((hereinafter referred to as the “Guarantor/s” which express shall, unless repugnant to the context or meaning thereof, mean and include his/her heirs, representatives in interest, executors, administrators, successors and permitted assigns) in favour of _____ and having its office at _____

(hereinafter referred to as “the Lender” which expression shall unless repugnant to the context or, meaning thereof, mean and include his successors and assigns).

AND WHEREAS the Guarantor/s has / have requested the Lender to extend Hypothecation Loan facility to _____

[hereinafter referred to as the Borrower(s)] and has/have undertaken to guarantee the due performance and observance by the Borrower(s) of all the terms and conditions of the Hypothecation cum Loan Agreement.

AND WHEREAS relying upon the undertakings and assurances provided by the Guarantor/s hereunder and the undertakings and assurances provided by the Borrower, the Lender has, under and pursuant to the Hypothecation cum Loan Agreement dated _____ entered into between the Borrower and the Lender agreed to extend Hypothecation loan facility to the Borrower in respect of the asset more fully described under the Hypothecation cum Loan Agreement upon the terms and conditions mentioned therein and this Guarantee.

NOW THIS GUARANTEE WITNESSETH AS FOLLOWS :

1. In consideration of the Lender agreeing to extend Hypothecation loan facility to the Borrower, the Guarantor/s hereby unconditionally and irrevocably guarantees:
 - i. the payment and discharge by the Borrower of the Borrower's liabilities under the Hypothecation cum Loan Agreement to the Lender as per the terms provided therein.
 - ii. upon the happening of any of the events of default as contemplated under the Hypothecation cum Loan Agreement, the immediate payment of the amounts payable under the Hypothecation cum Loan Agreement and discharge by the Borrower of his liabilities, obligations, without any demur or protest or objection of any nature whatsoever.
 - iii. the due performance of all the terms and conditions provided under the said Hypothecation cum Loan Agreement by the Borrower.
2. The Guarantor/s hereby expressly agrees that he shall not require any proof in addition to the written demand by the Lender, made in any format, raised at the above mentioned address of the Guarantor/s indicating the happening of an event of default due to which the Guarantee has been invoked. A demand in writing signed by the Lender or his representative stating the amount due, at any particular time shall be conclusive evidence against the Guarantor/s.

3. The Guarantor/s shall make payment on first demand by the Lender without restrictions or conditions and notwithstanding any objections by the Borrower or any other person. The Guarantor/s shall not require the Lender to justify invocation of this Guarantee and the Guarantor/s shall not have any recourse against the Lender in respect of any payments made under this guarantee.
4. The Guarantor/s hereby expressly agrees that this Guarantee is a continuing guarantee till all the liabilities of the Borrower under the Hypothecation cum Loan Agreement and that of the Guarantor/s herein are fully met. The liability of the Guarantor/s is joint and several along with the liability of the Borrower.
5. The Guarantor/s expressly agrees that since his liability is co-extensive with that of the Borrower, for the purposes of effectiveness of this Guarantee, the Guarantor/s are to be considered as principal debtors to the Lender for all dues payable under the provisions of this Guarantee.
6. The Guarantor/s hereby expressly agrees that he shall not be exonerated from his liability to the Lender under this Guarantee under any circumstances including without limitation, the following:
 - (a) by any variance made without their consent in the terms of this contract or the Hypothecation cum Loan Agreement or transactions between the Lender and the Borrower,
 - (b) by any contract made between the Lender and the Borrower by which the Borrower be released, or
 - (c) by any act or omission of the Lender the legal consequences of which may be a discharge of the Borrower

- (d) by the Lender making a compromise with, or promising to give time to or not to sue the Borrower or
 - (e) by the Lender losing his property.
7. The Guarantor/s acknowledges that the Guarantor's obligation to pay arises immediately after dispatch of written notice by the Lender to the Guarantor irrespective of whether the Borrower has been called upon or proceeded against.
 8. The Guarantor/s hereby agrees to keep the Lender fully indemnified against all damages, losses, costs, charges and expenses (including Attorney's fees) arising from or under or in connection with any failure of the Borrower to fulfill any of his obligations under the Hypothecation cum Loan Agreement.
 9. Guarantor/s hereby acknowledges and agrees that the Lender shall be entitled to invoke this Guarantee, whether the lender enforces his right against the subject matter of Hypothecation cum Loan Agreement or not or takes any proceeding (legal or otherwise) against the Guarantor/s prior to, simultaneously or subsequent to any proceeding (legal or otherwise) filed against the Borrower or any other person or entity.
 10. This Guarantee shall be interpreted in accordance with the laws of India.
 11. It is acknowledged by the Guarantor/s that the Lender shall be entitled to disclose any and all the information provided by them to the Lender to any credit bureau or any other person as the Lender may deem fit and the Guarantor/s hereby agrees and undertakes not to dispute or question the same in any manner whatsoever. The Guarantor unconditionally agrees and acknowledges that in case of any default in the payment by the Guarantor under this guarantee, the Lender/RBI/Civil shall have the right to disclose details of the default and/or other information and the name the Guarantor as defaulter.

12. The Guarantor (s) agree/s that the arbitration clause provided under the Hypothecation cum Loan Agreement binds the guarantor (s) and the guarantor (s) is/are also bound by the award passed by the arbitrator.
13. Any acknowledgement of debt by the Borrower also binds the guarantor as if such acknowledgment is given by the guarantor.
14. In the event of failure by the Guarantor to make payment as stated above, the Guarantor shall pay default/additional interest at the same rates as specified in relation to the Hypothecation cum Loan Agreement for the Borrower till receipt of the aforesaid amounts by the Lender to his satisfaction.
15. This Guarantee shall come into effect from the date mentioned herein above and shall terminate only upon the Borrower and/or the Guarantor making full repayment to the Lender of the amounts payable under the Hypothecation cum Loan Agreement.
16. This Guarantee is not personal to the Lender and may be assigned by the Lender in whole or in part to any person (whether absolutely or as security) by the Lender, without prior consent of or intimation to the Guarantor.
17. All words and expressions used in this Guarantee but not defined herein, shall have the meanings ascribed to them under the Hypothecation cum Loan Agreement.

IN WITNESS WHEREOF THE GUARANTOR/S HAS/HAVE SET AND SUBSCRIBED HIS/THEIR HANDS TO THESE PRESENTS THE DAY, MONTH AND YEAR HEREIN WRITTEN.

**SIGNED AND DELIVERED
BY THE WITHINNAMED GUARANTOR/S**

MR.

MR.

ON THE _____ DAY OF _____ 2014.

IN THE PRESENCE OF :

WITNESS :

NAME AND ADDRESS:

DRAFT