

DEED OF STATE GOVT. GUARANTEE

THIS DEED OF GUARANTEE executed at this _____ day of _____ by the President of India/The Governor of the State/ UT of _____ (hereinafter referred to as "The Guarantor" which expression shall, unless it be repugnant to the subject or context thereof, include its successors in office).

IN FAVOUR OF

NATIONAL BACKWARD CLASSES FINANCE AND DEVELOPMENT CORPORATION, hereinafter referred to as "NBCFDC" as Govt. of India Undertaking incorporated under Section 25 of the Companies Act, 1956 ((Now, U/S 8 of the Companies Act, 2013) having its Registered, Administrative and Head Office at 5th Floor, NCUI Building, 3 Siri Institutional Area, August Kranti Marg, New Delhi, hereinafter referred to as "the NBCFDC", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns.

WHEREAS:

1. The _____ (Name & Address of Channelising agency) (hereinafter referred to as the "Channelising Agency") intends to undertake various project for the benefit of members of Backward Classes in the State/UT of _____.
2. The Channelising Agency intends to obtain from the NBCFDC loans/ Margin Money assistance or any other financial assistance which NBCFDC may agree to sanction from time to time up Rs. _____ (Rs. _____) (hereinafter referred to as the "said loan") for implementation of the project(s), embodied in the Loan Agreement already executed between NBCFDC and Channelising Agency on _____ (Date of Loan Agreement for the said loans, hereinafter referred to as "The Loan Agreement").
3. NBCFDC will sanction loan to the Channelising agency for each scheme/ project after proper appraisal of project / scheme and requirements of funds therefore on such terms and conditions as may be stipulated by NBCFDC and accepted by the Channelising Agency in this behalf and as such the sanction and disbursement of the loans are linked with the projects and sanctioned by NBCFDC within the overall limit of Rs. _____ hereinbefore mentioned and each loan is to be treated separately in so far as the schedule of repayment of principal and payment of interest/service charges and maintenance of accounts both NBCFDC and the Channelising Agency are concerned.

4. NBCFDC has stipulated in the said Loan Agreement that the repayment of the principal of the loan sanctioned by NBCFDC to the Channelising Agency for each project/scheme together with interest/ service charges at the rate stipulated therein within the overall limits of Rs. _____ (Rs. in words _____) hereinbefore mentioned in guaranteed by the Guarantor in the manner hereinafter appearing.
5. The Guarantor has now at the requested of the Channelising Agency agreed to furnish such Guarantee in favour of the NBCFDC as hereinafter mentioned.

NOW IT IS HEREBY AGREED TO BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:-

1. That to enable the Channelising Agency to obtain from NBCFDC the said loans on the terms and conditions contained in the Loan Agreement for implementing the Scheme(s)/ Project(s) and in consideration of the aforesaid premises the Guarantor hereby fully unconditionally and irrevocably Guarantee to the NBCFDC of each loan sanctioned by NBCFDC for the projects/schemes mentioned in the said Loan Agreement within the overall limit of Rs. _____ hereinabove mentioned and the due payment of interest by the Channelising Agency to the NBCFDC on that loan or instalment/ instalment(s) thereof as shall become due and payable in respect of that loan and in the event of the Channelising Agency's failure to repay that loan or any part or parts thereof and/or to pay any interest / service charges that will become due, and payable and remain due and unpaid by the Channelising agency to the NBCFDC the Guarantor shall on demand by NBCFDC pay the same to the NBCFDC.
2. That NBCFDC shall give intimation to the Guarantor of the sanction of each loan to the Channelising Agency and the terms and conditions thereof as accepted by the Channelising Agency, and on such intimation it shall form the part of the said Loan Agreement.
3. That the Guarantee hereby given shall be a continuing guarantee for all amounts advanced and or to be advanced by NBCFDC to the Channelising Agency from time to time to be extent and upto the limit of the amount agree to be advanced under the aforesaid Loan Agreement together with the interest / service charges at the stipulated rate and costs, charges and other monies payable to NBCFDC by the Channelising Agency and shall not be considered satisfied by any sum or sums of money for the time being due under the aforesaid Loan Agreement or any of them by way of principal or interest by shall extend to cover and be a security for all future sums at any time or times due thereafter under the said Loan Agreement have been paid in full or otherwise fully discharged by the Guarantor to the satisfaction of the NBCFDC irrespective of any part payment or payments.

4. That the Guarantee do hereby consent to the NBCFDC making any variance that it may think fit in any of the terms of the said Loan Agreement at any time hereafter and agrees that such variance shall not in any way affect the liability of the Guarantor under the guarantee hereby given.
5. That any neglect or the forbearance of the NBCFDC in enforcing the payment or repayments to it of any of the loans or any instalment/ instalments thereof or interest/ service charges thereon under the said Loan Agreement, payment or repayment whereof is intended to be hereby secured or giving of time by NBCFDC for the payment or repayment thereof shall not in any way release the Guarantor of this liability under the Guarantee hereinbefore contained.
6. The Guarantor hereby agrees and declares that the NBCFDC will not be bound or compelled to take any proceedings whatsoever against the Channelising Agency for recovery, enforcement or realization of any of the dues of the NBCFDC from or against the Channelising Agency under and in pursuance of the guarantee hereby given so that the Guarantor shall be liable and bound to pay all such dues to the NBCFDC as shall be or become due and payable by the Channelising Agency as if the Guarantor were the principal debtor notwithstanding that no proceedings whatsoever shall have been taken by the NBCFDC against the Channelising Agency for recovery, enforcement or realization of any such dues.
7. That any amount intimated by the NBCFDC as outstanding against the Channelising Agency in respect of any loan advanced for any project(s)/ scheme(s) or in respect of all the project(s)/ scheme(s) under the said Loan Agreement shall be conclusive and binding against the Guarantor and shall not be questioned by the Guarantor.
8. That in the event of default in the payment of any instalment of principal and or interest/ service charges or breach of any of the terms and condition of any loan by the Channelising Agency the NBCFDC may without prejudice to its other rights recall loan or all outstanding loan under the said Loan Agreement and in the event of failure on the part of Channelising Agency to make payments required by the NBCFDC, the Guarantor shall pay forthwith the amount as and when demanded by the NBCFDC.
9. The Guarantor do hereby declare that the guarantee hereby given by the Guarantor is within the limits fixed/no limit has been fixed by the legislature or the State of _____ under the Article 293(1) of the Constitution of India.

10. The stamp duty, if any payable on this Deed of Guarantee is to be borne by the Guarantor herein.

IN WITNESS WHEREOF the within named Guarantor has caused these presents to be executed by the hand of Shri _____ (Name and Designation) its authorized official on the day, month and year first hereinabove written.

SIGNED AND DELIVERED
For and on behalf of The Governor of the State

By hand of Shri _____
(Name & Designation)
Is authorized official
Name & Designation

In presence of

1.

2.