

DEED OF BANK GUARANTEE

BANK GUARANTEE NO.

DATE:

National Backward Classes Finance and Development Corporation  
5<sup>th</sup> Floor NCUI Building  
3 Siri Institutional Area, August Kranti Marg, New Delhi-110016

This Deed of Guarantee executed at this ..... Day of ..... by .....Bank, Head Office,.....Pin:..... (hereinafter referred to as the "Guarantor") which expression shall unless be repugnant to the subject or context thereof, include its successors in office.

IN FAVOUR OF

National Backward Classes Finance and Development Corporation, a Government of India Undertaking incorporated under Section 8 of the Companies Act 2013 (earlier Section 25 of the Companies Act, 1956), having its registered office at 5<sup>th</sup> Floor, NCUI Building, 3 Siri Institutional Area, August Kranti Marg, New Delhi-110016 (hereinafter referred to as "the NBCFDC") which expression shall unless it be repugnant to the subject or context thereof, include its successors and assign.

WHEREAS

i.) NBCFDC has agreed to provide loan to ..... for Micro Credit Financing to the eligible Other Backward Classes sanctioned by NBCFDC vide Letter of Intent no. .... dated .....as per the Loan Agreement dated ..... made between NBCFDC and ..... (hereinafter called the "Loan Agreement").

ii) AND WHERE IT HAS BEEN STIPULATED by NBCFDC in the Loan Agreement that ....., shall furnish NBCFDC with a Bank Guarantee by a Scheduled Bank for a sum specified herein as security for compliance with repayment obligations in accordance with the terms and conditions contained in the above Loan Agreement and which have also been noted by the Guarantor.

iii) AND WHEREAS THE Guarantor in consideration of NBCFDC have agreed to give the aforesaid loan assistance have at the request of ..... agreed to give guarantee for the repayment of a sum of **Rs.** .....( Rupees ..... only) in accordance with the terms and conditions of the said Loan Agreement.

NOW THIS DEED WITNESSETH AS FOLLOWS:

1. The Guarantor hereby unconditionally and irrevocably undertakes to pay the amount under guarantee to and agree with NBCFDC as follows:
2. The ..... shall duly and punctually pay in accordance with the terms and conditions of the Loan Agreement every instalment of the Loan Amount together with Interest, Costs, Service charges and all other monies whatsoever payable by ....., under the Loan Agreement.

3. The Guarantor hereby covenant that in the event of any default on the part of ..... in repayment of any of the instalment(s) of the principal and payment of interest, service charges or any other monies in terms of the aforesaid Loan Agreement, the Guarantor immediately without any demure merely on receipt of the first written demand from NBCFDC declaring ....., has default under the Loan Agreement, pay to NBCFDC without cavil and argument any sum (s) as specified by NBCFDC with the limit of **Rs. ....**(Rupees .....) without NBCFDC needing to prove or show grounds or reasons for their payment of the sum specified therein. However, the liability of the Guarantor shall not exceed **Rs. ....** (Rupees ..... only).

The guarantee herein contained shall be continuing one and shall remain in full force and effect and valid until the time entire amount of principal together with interest, liquidated damages, costs, charges and other monies aforesaid is paid by ....., or by the Guarantor or up to .....whichever is earlier.

Notwithstanding anything contained herein,

1. Our liability under this Bank Guarantee shall not exceed **Rs. ....** (Rupees .....only).

2. This Bank Guarantee shall be valid up to .....

3. This guarantee will not be discharged due to change in the constitution in the Bank or the .....

4. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before .....Thereafter the Bank shall automatically be discharged under this guarantee.

5. The Guarantor further undertake to pay to NBCFDC any money so demanded notwithstanding any dispute or disputes raised by M/s ..... in any suit or proceedings pending before any court or tribunal relating thereto as the liability under this present being absolute and unequivocal. The payment so made by us under this deed shall be valid discharge of liability for payment there under and the ..... shall have no claim against us for making such payment.

Signed on the.....day of.....

1.

2.

3.

Witness:

Name:

Address: