

THIS IS JUST A FORMAT.

Kindly take proper Legal Advice for Drafting Document as per your requirements.

Deed of Guarantee

THIS DEED OF GUARANTEE is made at this day of between Bank of a banking corporation constituted under the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 and having its Head Office at ‘.’ and Branch Office at hereinafter called ‘THE GUARANTORS’ of the One Part, and (1) A, (2) B, (3) C of hereinafter called “THE OWNERS” of the Second Part, And M/s. D & E hereinafter referred to as “the Purchasers” of the Third Part,

WHEREAS -

1. The Owners are seized and possessed of or otherwise well and sufficiently entitled to all that leasehold piece of land and premises together with the structures standing thereon situate lying and being at and admeasuring aboutsq-metres (hereinafter for the sake of brevity referred to as ‘the said property’) and more particularly described in the Schedule hereunder written.

2. By an Agreement for Sale bearing even date herewith and made between the Owners therein called ‘the Vendors’ of the One Part and ‘the Purchasers’ of the Other Part, the Owners have agreed to sell to the Purchaser the said property at or for the price of Rs. and on the terms and conditions therein contained.

3. By and under the said Agreement for sale it is inter alia provided as under-

(A) That the said purchase price of Rs. shall be paid by the Purchasers to the Owners as under -

- (i) Rs. as earnest money on the execution of the said agreement (which the Purchasers have paid to the Owners and the Owners have acknowledged receipt thereof);
- (ii) Rs. on or before the expiry of six months from the date of the said Agreement for Sale but subject to adjustment as in the said agreement mentioned

(B) That the time for payment of the aforesaid amount as provided in sub-clause (A) (ii) above is of the essence of the contract.

(C) That the Purchasers shall simultaneously with the execution of the said Agreement for Sale procure in favour of the Owners an irrevocable and unconditional Bank Guarantee from any Nationalised Bank for payment of the amount of Rs. out of the amount of Rs. as provided in sub-clause (ii) of recital 3(A) hereinabove and that the said Guarantee shall be a Continuing Guarantee and that the same will come to an end when the said payment is made to the Owners and further that the said Guarantee shall be without any reservations or qualifications or conditions and shall provide that on default being committed by the Purchasers in payment of the said amount of Rs. on or before the date as provided in sub-clause (ii) of recital 3(A) hereinabove the Guarantor shall

immediately pay the said amount to the Owners without any demur or objection whatsoever and notwithstanding any instructions or directions by the Purchasers to the contrary.

4. On the application made by the Purchasers to the Guarantor for giving the guarantee in favour of the Owners for securing to the Owners the payment of the said amount of Rs. out of the said sum of Rs. as mentioned under sub-clause (ii) of recital No. 3(A) above and in consideration of the Purchasers executing a Counter Guarantee in favour of the Guarantor for repayment of the said amount to the Guarantor and also in consideration of the said amount being further agreed to be secured by a Mortgage of the said property (in terms of an agreement to mortgage of even date between the Owners, Guarantor and the Purchasers) to be executed in case and as and when the Guarantor pays the said amount to the Owners, the Guarantor has agreed to give a guarantee in favour of the Owners for Rs. being the amount payable by the Purchasers to the Owners on or before the expiration of six months from the date of the execution of the said Agreement for Sale.

NOW THIS DEED OF GUARANTEE WITNESSETH AND IT IS HEREBY COVENANTED, AGREED AND DECLARED AS FOLLOWS :

1. If default shall be made by the Purchasers in payment to the Owners of the said sum of Rs. being amount of the balance purchase price payable by the Purchasers to the Owners on or before the expiration of six months from the date of execution of the said hereinbefore recited Agreement for Sale, the Guarantor hereby unconditionally, irrevocably and without any qualifications whatsoever and or without any demur and notwithstanding any intimation and or direction by the Purchasers to the contrary, guarantees and covenants to pay to the Owners the said sum of Rs. being the said balance purchase price payable by the Purchasers to the Owners on or before the day of as per the terms of the said Agreement for Sale AND hereby indemnifies and keep indemnified the Owners against the non-payment of the said sum of Rs. by the Purchasers to the Owners by reason of default on the part of the Purchasers in payment thereof on the said. day of 19

2. The Owner shall have the fullest liberty without in any way affecting this Guarantee and without discharging the Guarantor from its liability hereunder to postpone for any time or from time to time the exercise of any of the powers conferred by any document that may have been or that may hereafter be executed by the Owners and Purchasers and exercise the same at any time and in any manner and either to enforce or forbear to enforce the covenants for payment contained in or implied by the said Agreement for Sale or any document or any other remedies or securities available to the Owners, or to grant any indulgences or facility to the purchasers and the Guarantor shall not be released and/or discharged by any exercise by the Owners of this liberty with reference to the matters aforesaid or any of them or by reason of time being given to the Purchasers or of any other forbearance, act or omission on the part of the Owners or any other indulgence by the Owners to the Purchasers or by any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of so releasing the Guarantor and the Guarantor hereby waives all suretyship and other rights which the Guarantor might

DEED OF GUARANTEE

otherwise be entitled to enforce provided that, nothing shall be done by the Owners which will be prejudicial to the interest of the Guarantor or which will be contrary to the main provisions of the Guarantee.

3. The Guarantor is aware of all the terms and conditions contained in the said Agreement for Sale bearing even date with these presents made between the Owners on the one hand and the Purchasers on the other hand for sale of the said property. It is hereby expressly agreed that the Owners shall be at liberty at any time to procure or obtain any other document from the Purchasers for further effectually securing to the Owners the payment of the said sum of Rs. (Rupees) of the balance purchase price of Rs which has been agreed to be paid by the Purchasers to the Owners on or before day of and the Guarantor shall not be released and/or discharged by the exercise by the Owners of their liberty with reference to the matters aforesaid.

4. The Guarantee herein contained shall be enforceable against the Guarantor notwithstanding that the securities specified in any document shall at the time when proceedings are taken against the Guarantor hereunder be outstanding or unrealised.

5. In order to give effect to the guarantee herein contained the Owners shall be entitled to act as if the Guarantor was the principal debtor to the Owners for the payment of the said sum of Rs. guaranteed by the Guarantor as aforesaid to the Owners.

6. The Guarantee contained in this Deed is irrevocable, unconditional and unqualified and a continuing one and shall remain in force until the said sum of Rs. be paid off in full without any demur and irrespective of any instructions by the Purchasers to the Guarantor to withhold payment thereof on any ground whatsoever.

7. The Guarantee herein contained shall not be determined or in any way prejudiced by any absorption of the Guarantor with or by any amalgamation thereof with any other Bank or concern but shall enure and be available for and by the absorbing or amalgamated Bank or concern.

8. The Guarantor agrees and declares that for enforcing this Guarantee by the Owner against the Guarantor the Courts at alone shall have exclusive jurisdiction and the Guarantor hereby submits to the same and agrees and undertakes that the Guarantor will not in any way object that the Courts of shall not have jurisdiction.

9. A demand in writing by the Owners and/or the Purchasers shall be deemed to have been duly given to the Guarantor by sending the same by registered post acknowledgement due addressed to the Guarantor at their Branch Office at and shall be effectual notwithstanding any change of office and notwithstanding notice thereof to the Owners or the purchasers and such demand shall be deemed to be received by the Guarantor at the time when it would normally be received after the posting thereof and shall be sufficient if signed by the Owners and/or the purchasers or any of them or their Advocates duly authorised for the purpose.

IN WITNESS WHEREOF The parties hereto have set their respective hands the day and year first hereinabove written.

DEED OF GUARANTEE

THE SCHEDULE ABOVE REFERRED TO
(description of the property)

SIGNED SEALED AND DELIVERED

by the withinnamed BANK

by the hand of its duly constituted

Attorney Shri

in the presence of

1.

2.

Signed by the withinnamed (1) (2)

(3) the Owners in the presence of

Signed by the withinnamed

Purchasers

in the presence of

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