

AGREEMENT OF GUARANTEE

This Agreement of Guarantee (this “**Agreement**”) is made at _____ (Place) on this _____ day of _____ '20 _____,

Between

Shri/Ms _____ son / daughter / wife of Shri _____ resident of _____

_____ (hereinafter called the “Guarantor(s)” which term shall, wherever the context so permits, mean and include his/her/their heirs, administrators, executors, successors, and permitted assigns) of the first part;

AND

Kannur Co-Operative Urban Bank Ltd., a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970, having its Head Office at Thavakkara, P.O. Civil Station, Kannur –670002 and, inter alia, a Branch Office at _____

(Hereinafter called the “Bank”, which term shall, wherever the context so permits, mean and include its successors and assigns) of the second Part.

WHEREAS

- A. At the request of the Guarantor(s) the Bank has agreed to allow/ continue/enhance an accommodation by way of _____ (the “Facilities”/“Limits”) to Shri/Ms/Messrs _____ (Hereinafter called the “Borrower”) on the terms and conditions contained in the loaning and security documents executed by the Borrower; and
- B. The Guarantor(s) has/have agreed to guarantee due payment of the amount which at any time may be due to the Bank in respect of the said Facilities / Limits of Rs. _____ (Rupees _____)

NOW THIS AGREEMENT WITNESSETH AS UNDER:

1. That in consideration of the Bank allowing/continuing/ enhancing at the request of the Guarantor(s) an accommodation by way of – _____ of Rs. _____ (the “Facilities”/ “Limits”) to the Borrower at its Branch Office at _____ on the terms and conditions contained in the loaning and security documents executed by the Borrower on _____, the Guarantor(s) hereby agree(s) with the Bank as under:-
2. The Guarantor(s) hereby guarantee(s) jointly and severally to pay to the Bank after demand in writing all principal, interest, cost, charges and expenses due and which may at any time become due to the Bank from the Borrower in the accounts opened in respect of the said Facilities/Limits (hereinafter called the “said accounts”) down to the date of payment and also all losses or damages, costs, charges and expenses and in the case of legal costs, as between attorney and client occasioned to the Bank

by reason of omission, failure or default temporary or otherwise in such payment by the Borrower or by the Guarantor(s) or any of them including costs (as aforesaid) of enforcement or attempted enforcement of payment by suit or otherwise or by sale or realization or attempted realization or sale of any security for the said indebtedness or otherwise howsoever or any costs (which costs to be as aforesaid) charges or expenses which the Bank may incur by being joined in any proceeding to which the Bank may be made or may make itself party either with or without others in connection with any such securities or any proceeds thereof.

3. The Guarantor(s) hereby declare(s) that this guarantee shall be a continuing guarantee and remain operative in respect of each of the said Limits severally and may be enforced as such in the discretion of the Bank, as if each of the Facilities / Limits had been separately guaranteed by him/her/them. This guarantee shall not be considered as cancelled or in any way affected by the fact that at any time or from time to time any of the said accounts may show no liability against the Borrower or may even show credit in his/her/their favour but shall continue and remain in operation in respect of all subsequent transactions till the accounts are closed. This guarantee is in addition to, and shall not be affected by, nor merge with, and may be enforced despite the existence, invalidity or unenforceability of, any other guarantee, undertaking or security interest now or subsequently held by the Bank. For the avoidance of doubt, it is hereby clarified that this guarantee will extend to the ultimate balance of all sums payable by the Borrower(s) under the Facilities/Limits, until it is released in accordance with the terms hereof, regardless of any intermediate payment or discharge of the whole or any part of the debt due and payable by the Borrower.
4. The Guarantor(s) hereby consent(s) to the Bank making any variance, without reference or notice to him / her / them, that it may think fit in the terms of contract, including any change in rate of interest charged to the accounts of the Borrower. The Guarantor(s) further consent(s) to the Bank accepting additional collateral security of any kind, determining, enlarging or varying any credit to the Borrower or making any composition with him or promising to give him time or not to sue him and the Bank parting with any security it may hold for the guaranteed debt. The Guarantor(s) also agree(s) that he/she/they shall not be discharged from his/her/their liability by the Bank releasing the Borrower or by any action or omission of the Bank, the legal consequences of which may discharge the Borrower or by any act of the Bank which would, but for this present provision, be inconsistent with his/her/their rights as Guarantor(s) or by the Bank's omission to do any act which, but for this present provision, the Bank's duty to the Guarantor(s) would have required the Bank to do. Though as between the borrower and the guarantor(s) he /she/they is/are guarantor(s) only, the guarantor(s) agree(s) that as between the Bank and the Guarantor(s) he/she/they is/are debtor(s) jointly with the borrower and accordingly he/she/they shall not as such be entitled to claim the benefit of legal consequences of any variation in the terms of the contract and to any of the rights conferred on a Guarantor by Sections 133, 134, 135, 139 and 141 of the Indian Contract Act. The Guarantor(s) further agree(s) that the acceptance by the Bank of any irregular payments or any amount short of the amount of agreed installment/s. whether made before or on due dates or thereafter by the Borrower, shall not discharge the Guarantor(s) from his/her/their liability and such acceptance will not amount to or create any new or fresh contract. The Guarantor(s) further agree(s) that the Bank shall be under no obligation to notify him/her/them, any default committed by the Borrower at any time or from time to time.
5. The Guarantor(s) hereby consent(s) to the Bank renewing from time to time the said Facilities / Limits of Rs. _____ allowed to the Borrower, obtaining fresh documents from him/her/them, closing the existing accounts, opening new accounts, or transferring the same or part thereof to any branch of the Bank. Notwithstanding this, the Guarantor(s) agree(s) and declare(s) that he/she/they shall remain liable to the Bank for any indebtedness of the Borrower under the renewed facilities / limits

and the terms and conditions of this Agreement shall apply and govern his/her/their liability under the renewed facilities / limits.

6. The Guarantor(s) further declare(s) that all dividends, compositions or payment received by the Bank from the Guarantor(s) or any other persons liable to him/her/them or his/her/ their representative shall be taken and applied as payment in gross and the Guarantor(s) and his/her/their representatives shall have no right to claim the benefit of any such dividends, compositions or payment until full amount of all claims of the Bank against the Borrower and his/her/their representatives which are covered by this Agreement shall have been paid.
7. No advance, overdraft or other credit facilities that the Bank may give to the Borrower beyond the Limits mentioned in para No.1 above or obtaining of any other guarantee or security from the Borrower shall determine, prejudice or lessen the liability of the Guarantor(s) hereunder.
8. The Guarantor(s) further agree(s) that any accounts settled between the Bank and the Borrower or the balance admitted or confirmed by him or his authorized agents as due on the said accounts to the Bank will be conclusive and shall not be disputed or questioned by the Guarantor(s).
9. The Guarantor(s) authorize(s) and appoint(s) each of the Borrower or any person duly authorized by them as agent to confirm the balance due and acknowledge liability on his/her/their behalf as guarantor(s) from time to time. The Guarantor(s) further agree(s) that any acknowledgement of liability made by the Borrower or any person duly authorized by him/her/them to operate the accounts or any of the co-Guarantors as agent on behalf of the Guarantor(s) shall be binding on him/her/them for giving fresh start of limitation and also for admission of liability against him/her/them.
10. In case the Bank sells the hypothecated, pledged or mortgaged security/ies held in the loan accounts, the Guarantor(s) agree(s) that the Bank may sell the said securities without giving any notice of such sale to the Guarantor(s). The Guarantor(s), agree(s) that he/she/they will not question the sale or the sale price in any manner or on any ground whatsoever.
11. In case the amount guaranteed by the Guarantor(s) is paid by the Borrower(s) to the Bank and the Bank in consequence discharges the Guarantor(s) from all liabilities under this Agreement, but it is subsequently determined by a Court of Law or otherwise that the said payment was a fraudulent preference and the Bank is made to refund the said amount, the Guarantor(s)' liability to the Bank on the basis of this Agreement shall revive to the same extent and in the same manner as if such payment had never been made.
12. The guarantee hereby given shall not be determinable or taken as satisfied by the Guarantor(s) except on the terms of his/her/their making full payment up to the limit of his/her/their guarantee for any then outstanding liabilities or obligations on the said account. The guarantee shall not be affected by his/her/their death or insanity until the Bank shall have received formal authentic notice in writing thereof.
13. So long as any money remains owing under this Agreement, the Bank shall have lien on all moneys standing to the credit of the Guarantor(s) and on any securities or goods in the hands of the Bank belonging to any of the Guarantor(s) and the Bank shall be entitled to appropriate/set off/realize the same.
14. The Guarantor(s) hereby give(s) consent for disclosure by the Bank of all or any such:
 - a. Information and data relating to the Guarantor(s);

- b. The information or data relating to the Guarantor(s) obligations in any credit facility granted/to be granted by the Bank and guaranteed by Guarantor(s) under this Agreement; and
- c. Default, if any, committed by the Guarantor(s) in discharge of such obligations, as the Bank may deem appropriate and necessary, to disclose and furnish to approved Credit Information Companies and any other agency authorized in this behalf by Reserve Bank of India.
- The Guarantor(s) declare(s) that the information and data furnished by the Guarantor(s) to the Bank are true and correct.
- The Guarantor(s) agree(s) that approved Credit Information Companies and any other agency so authorized may use and process the said information and data disclosed by the Bank in the manner as deemed fit by them; and furnish, for consideration, the processed information and data or products thereof prepared by them, to banks/financial institutions, etc. and other credit grantors or registered users, as may be specified by Reserve Bank of India in this behalf.
15. That the contents of the Agreement have been read over and translated into _____ vernacular language [name of the language of the borrower/s] and borrower/s having understood the contents thereof subscribe(s) to these presents.

REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

1. Authorised signatories

Each person specified as an authorised signatory of the Guarantor in any documents delivered to the Bank pursuant to this Agreement, is subject to any notice to the contrary delivered to the Bank, authorised to sign all documents and notices on behalf of the Guarantor.

2. Know Your Customer

The Guarantor shall submit to the Bank all information required by the Bank to complete all "know your customer" (KYC) checks required by applicable law.

In witness whereof the Guarantor(s) and the Bank have set their hands hereunto at the place and on the date as first hereinabove mentioned.

GUARANTOR(S)

For KANNUR CO-OPERATIVE URBAN BANK LTD,

1. Sign. _____
Name _____

2. Sign. _____
Name _____

Sign _____
Name _____
Designation _____

WITNESSES:

Sign. _____
Name _____
Address _____

Sign. _____
Name _____
Address _____