

PG - FPF

PERSONAL GUARANTEE

THIS PERSONAL GUARANTEE ("Guarantee"), is executed at _____ on this _____ day of _____ 201__.

BY

Mr./Ms.. _____, son/daughter of _____, aged about _____ years, Indian Inhabitant, residing at _____ hereinafter referred to as the "**Guarantor**" (which expression shall, unless it be repugnant to the subject, context or meaning thereof, be deemed to mean and include his/her or their respective heirs, executors, administrators and permitted assigns, as the context may require or admit) **OF THE FIRST PART;**

IN FAVOUR OF

National Bank for Agriculture and Rural Development, a body corporate established under an Act of Parliament viz. National Bank for Agriculture and Rural Development Act, 1981 having its Head Office at Plot No. C-24, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 and one of its Regional Offices at _____ (insert full address of the Regional Office) hereinafter referred to as "**NABARD**" (which expression shall, unless it be repugnant to the subject, context or meaning thereof, deemed to mean and include its successors and permitted assigns from time to time, as the context may require or admit).

WHEREAS

- Government of India (GoI), to provide impetus to development of food processing sector on cluster basis in the country to reduce wastage of agricultural produce and to create employment opportunities, especially in rural areas, had announced setting up of a Special Fund of Rs. 2000 crore in NABARD to make available affordable credit to agro-processing units being designated as Food Parks.
- Reserve Bank of India (RBI) established “Fund for Affordable Credit to Food Processing Units” in NABARD (hereinafter referred to as “Food Processing Fund”) to provide financial assistance to State Governments, entities promoted by State/ Central Governments and other entities for establishing the Designated Food Parks and also for setting up of individual food/agro processing units in the Designated Food Parks.
- The individual units set up in the Designated Food Parks can cover a wide range of post-harvest processes resulting in value addition and/ or enhanced storage life, such as cleaning, grading, waxing, controlled ripening, labelling, packing and packaging, warehousing, canning, freezing, freeze drying, various levels of product processing (primary/ secondary), etc. for being eligible for assistance under Food Processing Fund
- The Borrower submitted its project proposal vide its loan application/ letter No. _____ dated _____ to NABARD and subsequently series of discussion/correspondence took place between the Borrower and NABARD from time to time.
- NABARD is agreeable to sanction to the Borrower a term loan for the said project of the Borrower subject to the terms and conditions set out herein as well as NABARD's Sanction Letter No. _____ dated _____ which shall form a part and parcel of Loan Agreement dated _____ (hereinafter referred to as “**Loan Agreement**”).
- One of the conditions of the said Sanction Letter and Loan Agreement is

that the said loan amount aggregating to ` _____, together with all interests at the agreed rate, costs, charges, expenses and other monies whatsoever as stipulated in the said Loan Agreement, shall be secured, *inter alia*, by Personal Guarantee of Mr./Ms. _____.

- Pursuant to the above, at the request of the Borrower, the Guarantor has agreed to execute and furnish the said Guarantee in favour of NABARD.

NOW, THEREFORE, THIS DEED OF GUARANTEE WITNESSETH THAT:

1. DEFINITIONS

Unless specifically defined herein, the capitalized terms used herein shall have the same meaning ascribed to them under the Loan Agreement. The Guarantor acknowledges that the Guarantor has reviewed, acclimatized to, and understood, the Loan Agreement and the other financing documents and is fully aware of the implications thereof.

“Applicable Laws” shall mean any statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or regulatory authority whether in effect as of the date of this Guarantee or thereafter and in each case as amended.

“Business Day” shall mean a day (other than a Saturday or a Sunday or a public holiday) on which banks are normally open for business in [*insert place of business*]

“Demand Certificate” shall have a meaning ascribed to it in Clause 4;

THE GUARANTOR HEREBY FURTHER COVENANTS THAT:

2. In consideration of NABARD having advanced / agreed to advance, at the Borrower's request, a Term Loan of Rs. _____ (Rupees _____ only) to the Borrower, to enable the Borrower to carry out the purpose for which the said financial assistance is granted i.e , _____ at _____, I/we, hereby unconditionally and irrevocably guarantee unto NABARD that the said Borrower will diligently, efficiently and satisfactorily perform all its obligations in respect of the said financial assistance, failing which, **I/we**, the Guarantor, shall, on demand and without demur, pay unto NABARD the sum of **Rs.** _____ (Rupees _____ only) together with all interests, cost, charges, expenses and any other applicable charges payable under the Loan Agreement, at its Head Office/ Regional Office at _____ (insert full address of NABARD's office).

3. The Guarantor hereby guarantees and undertakes to NABARD that in the event the Borrower is unable to meet its obligations and to pay to NABARD such amounts as and when the same fall due as per and in terms of the Loan Agreement and other Financing Agreements, the Guarantor shall pay the aforesaid sum of Rs. _____ (Rupees _____ only) together with all interests, cost, charges, expenses and any other applicable charges payable under the aforesaid Loan Agreement to NABARD on demand in writing by NABARD without reference to the said Borrower and notwithstanding any dispute or difference that may exist or arise between NABARD and the said Borrower.

4. In the event of any default on the part of the Borrower in the payment of any amounts referred to above or in the event of any default on the part of the Borrower to comply with or perform any of the terms, conditions and covenants contained in the Loan Agreement and the other Financing Agreements, or upon the occurrence of any other event of default under the Loan Agreement and the other Financing Agreements, the Guarantor shall

within 7 (seven) Business Days from the date of the receipt of the Demand Certificate as set out in Schedule I (“**Demand Certificate**”) and without demur, discharge its obligations under the Loan Agreement as well as this Guarantee or any other Financing Agreements. Determination by NABARD as to whether the Borrower has been unable to meet/ discharge its obligations under the Loan Agreement or any other Financing Agreements in relation to the Project and of the amount payable shall be conclusive and binding on the Borrower and the Guarantor. The Guarantor shall not question or dispute the decision of NABARD in this regard.

5. The Guarantor shall also indemnify and keep NABARD indemnified against all losses and damages, whether by way of costs, charges, claims, litigation, penalties and expenses whatsoever, which the NABARD may suffer, pay or incur by reason of or in connection with any default on the part of the Borrower including Legal Proceedings taken against the Borrower and/or the Guarantor for recovery of the guaranteed amount. The Guarantor shall, upon demand, forthwith pay to NABARD, without any demur, such losses and damages.

6. Subject to the provisions of the Loan Agreement and any other Financing Agreements, the Guarantor hereby agrees that without the concurrence of the Guarantor, the Borrower and NABARD shall be at liberty to vary, alter or modify the Security created and the terms and conditions of the Loan Agreement or Financing Agreements executed by Borrower in favour of NABARD and in particular to defer, postpone or revise the repayment of the amount as per the Loan Agreement and/or payment of interest and/or other monies payable by the Borrower to NABARD on such terms and conditions as may be considered necessary by NABARD including any increase in the rate of Interest. NABARD shall also be at liberty to absolutely dispense with or release all or any of the Security furnished or securities required to be furnished by the Borrower to NABARD and also to waive any requirement

or compliance of any condition under the Loan Agreement or any Financing Agreements. The Guarantor agrees that the liability under this Guarantee shall in no manner be affected by any such variation, alteration, modification, waiver, dispensation with or release of security, and that no further consent of the Guarantor is required for giving effect to any such variation, alternation, modification, waiver, dispensation with or release of security. The Guarantor also waives its rights as Guarantor/ surety under Sections 133,134,135,139 and Section 141 of the Indian Contract Act, 1872.

7. NABARD shall have full liberty, without notice to the Guarantor and without in any way affecting this Guarantee, to exercise at any time and in any manner, any power or powers reserved for NABARD, as the case may be, under the Loan Agreement and the other Financing Agreements, to enforce or forebear to enforce repayment of Secured amount due to NABARD from the Borrower or to enforce or forebear to enforce any of the remedies or securities available to NABARD, to compound or enter into any composition with or to grant time or any other indulgence or facility to the Borrower and the Guarantor shall not be released by the exercise of its liberty by NABARD in regard to the matters referred to above or by any act or omission on the part of NABARD 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 in favour of NABARD, so far as may be necessary to give effect to any of the provisions of this Guarantee, all the suretyship and other rights, which the Guarantor might otherwise be entitled to enforce.

8. This Guarantee shall be enforceable against the Guarantor notwithstanding that any undertaking, security or securities comprised in any instrument(s) executed or to be executed by Borrower in favour of NABARD, shall, at the

time when the proceedings are taken against the Guarantor in respect of this Guarantee, be outstanding or unrealized or lost.

9. The Guarantor hereby agrees and declares that the Borrower will be free to avail further loans or other facilities from NABARD or any other financial institution or bank in addition to the amount granted in terms of the Loan Agreement and/or secure the same during the subsistence of this Guarantee and in that event the Guarantee herein contained will not be affected or vitiated in any manner whatsoever but will remain in full force and effect and binding on the Guarantor.
10. The rights of NABARD against the Guarantor shall remain in full force and effect notwithstanding any arrangement which may be reached between NABARD and the other guarantor(s), if any. Notwithstanding the release of that other or others from liability and notwithstanding that any time hereafter, the other guarantor(s) may cease for any reason whatsoever to be liable to NABARD, NABARD shall be at liberty to require the performance by the Guarantor of its obligations hereunder to the same extent in all respects as if the Guarantor had at all times been solely liable to perform the said obligations.
11. To give effect to this Guarantee, NABARD may act as though the Guarantor was the principal debtor to NABARD.
12. The Guarantor hereby declares and agrees that the Guarantor has not received and shall not, without the prior written consent of NABARD receive any security or commission from the Borrower for giving this Guarantee so long as any monies remain due and payable by the Borrower to NABARD under the Loan Agreement and the other Financing Agreements.

13. The Guarantor also agrees that the Guarantor shall not be entitled to the benefit of subrogation to any security held by NABARD until the Borrower's dues are fully paid to NABARD and also if the same security is held by NABARD, for any other indebtedness of Borrower. NABARD, shall be under no liability to marshal in the Guarantor's favour any securities or funds or assets, which NABARD, may be entitled to receive or upon which NABARD, have a claim.

14. This Guarantee shall be irrevocable and the obligations of the Guarantor hereunder shall not be conditional on the receipt of any prior notice by the by the Borrower and the demand or notice by NABARD as provided in Clause 25 hereof shall be sufficient notice to or demand on the Guarantor.

15. The obligations of the Guarantor under this Guarantee are in addition to and independent of any amounts claimed or recovered by NABARD from the Guarantor under any other Financing Agreements or resulting from any other obligations of the Guarantor to NABARD as the case may be.

16. The Guarantor hereby represents, undertakes and warrants that:
 - (a) he she has full capacity to execute, deliver and perform this Guarantee and has taken all necessary actions to comply with the conditions and covenants contained herein;

 - (b) he/she shall provide to NABARD such information about himself/themselves as NABARD may, from time to time, require;

 - (c) he/she is in compliance with and shall continue to comply with all Applicable Laws and regulations and with the terms and conditions of all applicable consents and authorizations;

- (d) neither the execution nor the delivery or performance of this Guarantee shall contravene any provision of Applicable Law or any order, writ, injunction or decree of any court or Government Authority binding the Guarantor nor conflict with or result in the breach of any of the terms, conditions and provisions of or constitute a default or require any consent under any indenture, agreement, approval, license or other instrument to which the Guarantor is a party or by which he/they is/are bound;
 - (e) he/she shall promptly advise NABARD of any event of default, potential event of default or any event, which with the passing of time, giving notice or both may become an event of default of which the Guarantor has, or is reasonably expected to have knowledge;
 - (f) this Guarantee constitutes valid and legally binding obligations enforceable against the Guarantor in accordance with its terms; and
 - (g) no litigation or suit is pending against him/her or filed by him/her which might, if adversely determined, have a material adverse effect on his business, assets or financial condition.
17. The Guarantor declares that notwithstanding anything contained herein, the Borrower shall be considered as the Guarantor's duly constituted agent so that any payment of any portion of the amount guaranteed herein and other payments required to be made by the Guarantor hereunder and/or any acknowledgement thereof or any part thereof in writing by the Borrower shall be deemed to be for and on behalf of and as the agent of the Guarantor and that the period of limitation in respect of the amount guaranteed and other payments required to be made by the Guarantor hereunder shall start against the Guarantor on and from the date of payment or acknowledgment.

18. This Guarantee shall remain in full force and effect till such time the Borrower repays in full the Loan together with all interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, expenses and other monies that may from time to time become due and payable and remain unpaid to NABARD under the Loan Agreement. This Guarantee shall not be wholly or partially satisfied or exhausted by any payments made to or settled with NABARD by the Borrower and shall be valid and binding on the Guarantor and shall remain operative until repayment in full of all moneys due to NABARD under the Facilities.
19. The decision of NABARD on the breach of any of the terms & conditions of the said Loan Agreement or Sanction Letter by the said Borrower or his/her/their failure to perform obligations or discharge their duties under the said Loan Agreement or sanction letter shall be final and binding on the Guarantor and shall not be disputed by the Guarantor in any court, tribunal, arbitration or before any other authority.
20. The notice of demand in writing issued and signed by a duly authorized official of NABARD shall be a conclusive proof as regards the amount due and payable to NABARD under this guarantee and it shall not be disputed by the Guarantor in any court, tribunal or arbitration or before any other authority.
21. Any neglect or forbearance on the part of NABARD in enforcing any of the terms & conditions of the said Loan Agreement, Sanction Letter or any indulgence shown by NABARD to the Borrower or any variation in the said Loan Agreement or Sanction letter by mutual agreement between NABARD and the Borrower or any other act or deed on the part of NABARD which, but for this clause may have the effect of discharging the Guarantor under the law relating to the guarantees shall not discharge the Guarantor from its obligations herein and the Guarantor shall be discharged only by

compliance by the Borrower of all their obligations and duties under the said Loan Agreement and/or Sanction Letter. The rights of NABARD against the Guarantor shall remain in full force and effect notwithstanding any arrangement which may be reached between NABARD and the Borrower or notwithstanding the release of the Borrower from liability or any portion thereof and NABARDs shall be at liberty to require the performance by the Guarantor of its obligations hereunder to the same extent in all respects as if the Guarantor had at all times been solely liable to perform the said obligations.

22. The Guarantor hereby agrees that without the concurrence of the Guarantor, the Borrower and NABARD shall be at liberty to vary, alter or modify the terms and conditions of the Loan Agreement and other Financing Agreements and of the security documents executed by the Borrower in favor of NABARD and in particular to defer, postpone or revise the repayment of the Loan amount and/or payment of interest and other monies payable by the Borrower to NABARD on such terms and conditions as may be considered necessary by NABARD including any increase in the rate of interest. The Guarantor agrees that the liability under this Guarantee shall in no manner be affected by any such violations, alterations, modifications, waiver, and that no further consent of the Guarantor is required for giving effect to any such variation, alteration, modification or waiver.
23. This guarantee shall be in addition to and shall not in any way be prejudiced or affected by an collateral or other security or guarantee now or hereafter to be held by NABARD.
24. It shall not be necessary for NABARD to exhaust its remedies against the said Borrower before invoking this Guarantee and the Guarantee herein contained shall be enforceable against the Guarantor notwithstanding any

other security which NABARD may have obtained or may obtain from the said Borrower, may at the time when this Guarantee is invoked be outstanding and unrealized.

25. Any Demand Certificate for payment or notice under this Guarantee shall be sufficiently given if sent by post to or left at the last known address of the Guarantor or its successors or assigns, as the case may be, such demand or notice is to be made or given, and shall be assumed to have reached the addressee in the course of post, if given by post, and no period of limitation shall commence to run in favor of the Guarantor until after demand for payment in writing shall have been made or given as aforesaid and in proving such notice when sent by post it shall be sufficiently proved that the envelope containing the notice was posted and a certificate by any of the responsible officers of NABARD that to the best of his knowledge and belief, the envelope containing the said notice was so posted shall be conclusive as against the Guarantor, even though it was returned un-served on account of refusal of the Guarantor or otherwise.

26. **DISCLOSURE OF INFORMATION**

- (a) The Guarantor declares that the information and data furnished by the Guarantor to the NABARD for purposes of or in connection with this Guarantee or any transaction contemplated hereby are true and correct.
- (b) The Guarantor agrees that in case the Guarantor fails to discharge the liability of the Borrower in the repayment of the Secured amount as demanded by NABARD, NABARD shall have an unqualified right to disclose or publish the details of the default and the name of the

Guarantor as a defaulter in such manner and through medium as NABARD may think fit in accordance with the Applicable Laws.

- (c) The Guarantor hereby agrees and consents to the disclosure by NABARD of all or any such information and data relating to the Guarantor or defaults, if any, committed by the Guarantor in discharge of its obligations under this Guarantee as NABARD may deem appropriate and necessary to the Credit Information Bureau (India) Limited, or any institution or any other agencies authorized in this behalf by the Reserve Bank of India.
 - (d) The Guarantor hereby further undertakes that:
 - (i) the Credit Information Bureau (India) Limited or any institution or any other agency so authorized by the Reserve Bank of India may use, process the said information and data disclosed by NABARD; and
 - (ii) the Credit Information Bureau (India) Limited, or any institution or any other agency so authorized by the Reserve Bank of India may furnish on consideration, the processed information and data or products thereof prepared by them to banks, financial institutions and other credit grantors as may be specified by the Reserve Bank of India in this behalf.
27. (a) This Guarantee shall be binding upon the Guarantor and his/her heirs, executors and administrators and shall inure to the benefits of NABARD and their respective successors, assigns, transferees and novatees, as the case may be.
- (b) The Guarantor shall not assign his/her rights, benefits or obligation hereunder to any person.

- (c) NABARD may at any time novate, assign or transfer all or any of its rights, benefits and obligations hereunder to any person.
28. The Guarantor acknowledges that the Guarantor has reviewed, acclimatized to, and understood, the Loan Agreement and other Financing Documents and is fully aware of the implications hereof.

29. **GOVERNING LAW**

- (a) This Guarantee shall be governed by and shall be construed in accordance with the laws of India.
- (b) Each party agrees that any legal action or proceedings arising out of this Guarantee may be brought in the competent court or tribunals at _____ **(place where the financing RO of NABARD is located)** and irrevocably submits itself to the exclusive jurisdiction of such court or tribunal. NABARD may, however, in its absolute discretion commence any legal action or proceedings arising out of this Guarantee in a court, tribunal or any other appropriate forum in India.

SCHEDULE I

Form of Demand Certificate

To: [The Guarantor]

From: [NABARD]

Dated: []

Dear Sirs,

Re: Guarantee dated [] (the “**Guarantee**”) executed by the Guarantor in favour of NABARD.

The Borrower has not fulfilled its obligations under the Financing Agreements and an amount of INR _____ (Rupees _____ only) is due and payable by the Guarantor (as defined in the Guarantee). Accordingly, we hereby give you notice pursuant to Clause 25 of the Guarantee that we require you to pay an amount of INR _____ (Rupees _____ only) together with the default interest as set out in the Loan Agreement by [] (insert date which falls on 30th day from the date of issue of Demand Notice) .

The default interest shall be calculated at [] . **(2% over and above the applicable rate of interest on the respective disbursement outstanding)**

Capitalized terms used herein shall have the meaning given to them in the Guarantee.

Yours faithfully,

NABARD

IN WITNESS WHEREOF the within named Guarantor has set his hands to these presents on the day, month and year first hereinabove written.

SIGNED AND DELIVERED by)
the within named Guarantor,)
Mr./Ms.)