

Letter of Guarantee

Place
Date

To

MANIPUR STATE CO-OPERATIVE BANK LTD.

..... Branch.

In consideration of MANIPUR STATE CO-OPERATIVE BANK LTD. (hereinafter called "the bank") giving credit or accommodation or granting facilities to

(hereinafter called the "the Principal") by making opening continuing Loan/Overdraft/Cash Credit Account or by discounting purchasing and/or negotiating bills with or without security and/or opening and giving letters of credit and/or trust receipt facilities and/or issuing letters of guarantee at the request of the Principal and/or accepting guarantees bearing the Principal's signature on terms and conditions that may be settled between the Bank and Principal at any time or from time to time I/We

jointly and severally hereby agree with and guarantee to the Bank the due 'payment and discharge' on demand of all amounts advanced to the Principal or paid for on account of the Principal by the Bank at any time in respect of the said credit accommodation or facilities and of all amounts payable under the guarantees bearing the Principal's signature together with interest banking and other charges and expenses that the Bank may in course of its business charged against the Principal together with all relative interest charges costs (as between attorney and client) and expenses PROVIDED NEVERTHELESS my/our liability under this Guarantee shall not exceed in the whole the sum of Rs..... apart from and in addition to all interest, banking, law other cost charges and expenses above referred to and I/we hereby undertake to keep the Bank fully indemnified against all losses damages claims proceedings cost charges and expenses whatsoever arising out of or in connection with any failure on the part of the Principal to pay to the Bank any sum as and when the same should be paid.

For the consideration aforesaid I/we jointly and severally further agree as follows:

1. This guarantee shall be continuing security binding me/us and my/our personal representatives until the expiration of three calendar months from the receipt by the Bank of a notice in writing to discontinue it and notwithstanding the discontinuance by or any release or granting of time or indulgence to any one or more of us this guarantee shall remain in continuing security as to the other or others and if discontinued by notice this guarantee shall nevertheless as to the party or parties giving such notice continue to be available (subject to the aforesaid limit of total amount) for and shall extend to all indebtedness and liabilities of the Principal to the Bank as the date of the receipt of such notice whether then certain or contingent and whether then payable forthwith or at some future time or times and also for and to all credits then established by the Bank for the Principal and for and to all credit facilities granted and to cheques, drafts, bills, notes and negotiable instruments drawn by or for the account of the Principal on the Bank and dated or purporting to be dated on or before such date although presented to or paid by the Bank after such date and to all guarantees given by the Principal in favour of the Bank and that in the event of my/or any of us dying of becoming under disability the liability of the executors administrators or legal representatives of such person to doing and of his estate shall continue until the expiration of three calendar months from the receipt by the Bank of a written notice given by such executors administrators of legal representatives (or the survivors or survivor of me/us) to determine this guarantee. The Bank shall be at liberty or receipt of any such notice as contemplated in this clause at any time within the three calendar months to open a fresh account and/or to grant fresh

facilities to the Principal and to appropriate thereto all payments subsequently made to you by the Principal and not expressly appropriated to the old account without prejudice to my/our estate liability to the extent aforesaid.

2. Without prejudice to the provisions of Clause I hereof, in the event of this Guarantee being determined either by notice by me/us or my/our executors administrators or legal representative or by demand in writing by the Bank it shall be lawful for the Bank to continue old account with the Principal notwithstanding such determination and liability of myself/ourselves or my/our estate(s) for the amount due from the Principal at the date when this Guarantee is so determined shall remain notwithstanding any subsequent payment into or out of the said old account by or on behalf of the Principal.

3. The Guarantee is additional and without prejudice to any securities or obligations which the Bank may now or hereafter have from us from the Principal or from any one else in respect of any indebtedness or liabilities hereby guaranteed and all right and remedies in respect thereof are reserved.

4. This Guarantee shall be a continuing Guarantee and shall not be considered as wholly or partially satisfied or exhausted by any payments from time to time made to the Bank or any settlement of any accounts or by reason of the account being brought to a credit at any time or from time to time or its being drawn upon to the full extent or exceeding the full extent of the limit from time to time and its being reduced or extinguished and thereafter re-opened. This Guarantee shall continue in force notwithstanding the discharge of the Principal by operation of law or my death or the death of any one of us and shall cease only on payment of the amount guaranteed thereunder either by me or any of us.

5. I/we expressly agree that the Bank shall have full discretionary power, without my/our further assent or knowledge and without discharging or in any way affecting my/our liability under this Guarantee from time to time AND at any time to negotiate with the Principal and settle and/or alter the terms and conditions, and/or to enlarge or vary the terms of the said credit accommodation of facilities, to promise to grant time or indulgence to or not to sue the Principal or any person liable with or for the Principal, whether as guarantee or otherwise, or compound or make any other arrangements with the Principal or any person so liable with or for the Principal or any person so liable with or for the Principal as the Bank may think fit and to hold over, renew, vary, exchange or release in whole or in part and from time to time any securities held or to be held by the Bank for or on account of the moneys and liabilities intended to be hereby secured for any part thereof. I/we also agree that I/we shall not be discharged from my/our liability by the Bank's releasing the Principal or by any act or omission of the Bank the legal consequence of which may be to discharge the Principal or by any act or your which would, but for this present provision, be inconsistent with my/our rights as surety or by the Bank's commission to do any act, which, but for this present provision the Bank's duty to me/us would have required you to do. We hereby consent to each and every of the acts mentioned above as the Bank may think fit. And I/we further expressly agree that the Bank shall also have discretionary power without my/our further assent or knowledge or without discharging or in any way affecting my/our liability under this Guarantee from time to time and at any time to agree to the variations of the terms and conditions of any letter of credit that has been and/or may be opened for the benefit of the Principal to convert a documentary letter of credit into clean or open letter of credit and vice versa, to convert a revocable letter of credit into irrevocable one and vice versa to vary or alter the other terms, as to the nature and amount of credit war risk as regards the conditions of advice the nature of the document to be tendered the names of the beneficiaries the nature, quality, quantity of goods, the country of origin and the condition regarding port of shipment certificates or country of origin nature quality quantity weight otherwise the terms of shipment such as F.O.B./C.I.F.C./F.A.S./C.I.F./C&F/ as regards shipment by Instalments or to convert for shipment by Instalments into shipment into one lot, the terms of draft as to insurance and the terms thereof, the term regarding payment and to part with the shipping documents and/or goods covered by such shipping documents negotiated the said letter of credit on a Trust Receipt of the Principal or otherwise and other conditions as may be comprised in the letter of credit within the limit of Rs. referred to in Clause I hereof and to release or vary any security granted therefore and

for the purpose aforesaid to settle and/or alter the terms and conditions and to hold over renew very exchange of release in whole or in part and from time to time any securities held or to be held by the Bank for or on account of the moneys and liabilities intended to be secured hereby or any part thereof. And for all the purpose of this claim the Principal is empowered to give consent on my/our behalf and any consent give by the Principal shall be deemed to have been given by me/us and shall bind me/us in all respects if the same had been expressly given by me/us in writing.

6. The Bank may recover against me/us to the extent herein before mentioned notwithstanding that any securities given or to be given to the Bank may be void, defective or informal, or notwithstanding that the Principal, or his agents, partners, directors, or officers may have exceeded his or their powers or that the arrangements with the Bank may have been ultra vires and without being bound to enforce its claim against the Principal or any other person or other security held by the Bank. The Bank shall not be bound to inquire into the powers of the Principal or his agents or partners, directors or officers purporting to act on behalf of the Principal and all moneys due or liabilities incurred shall be deemed to form part of the Guarantee notwithstanding that the Principal or his agents, partners, directors and officers may have exceeded his or their power or the arrangement with the Bank may have been ultra vires.

7. Though as between the Principal and me/us I am/we are sureties only, I/we agree that as between the Bank and me/us I am/we are Principal debtor(s) and I/we shall not be entitled to any of the rights conferred on sureties by Section 133, 134, 135, 139, 141 and 145 of the Indian Contract Act, 1872.

8. I/We waive in the Bank's favour all or any of my/our rights against the Bank or the Principal as far as may be necessary to give effect to any of the provisions of the guarantee.

9. I/We declare that I/we have not received any security from the Principal for the given of this Guarantee and I/we agree that I/we will not so long as any moneys remain owing by the Principal to the Bank or any liability of the Principal to the Bank remains outstanding take any security in respect of my/our liability hereunder without first obtaining the Bank's written consent and I/we agree that in the event of my/our taking any such security the amount for which I/we are to be liable under this Guarantee shall be increased by the amount of which the dividend payable by the Principal to the Bank on insolvency or winding is thereby diminished.

10. I/We further agree that in respect of my/our liability hereunder the Bank shall have a lien on all securities belonging to me/us now hereafter held by the Bank and all moneys now or hereafter standing to my/our credit with the Bank on any current or any other account.

11. And this Guarantee shall be applicable to the 'ultimate balance' that may become due to the Bank from the Principal and until repayment of such balance the Bank shall be entitled to retain release or otherwise disposed of in such manner as the Bank may think fit any securities now or hereafter held by the Bank and without any liability to account to me/us for my/our any portion of such securities or of the proceeds hereof until all your claims have been satisfied, and in the meantime I/we will not take any such steps to enforce any right or claim against Principal in respect of any moneys paid by me/us to the Bank hereunder. And further, that if the Bank should receive payments from the Principal or any person on behalf of the Principal or from any security held by the Bank, or if the Principal shall become insolvent or go into liquidation or compound with his creditors the Bank shall be at liberty without discharging my/our liability to make or assent to any compromises, compositions, or arrangements or to prove and to rank as creditor in respect of the amount claimable by the Bank or any items thereof and to receive dividends thereupon and all such payments and dividends received shall be treated as payments in gross, and my/our liability shall extend to the ultimate balance after deducting such payments and to the entire exclusion and surrender of all my/our rights as sureties in completion, with the Bank, any rule of law or equite to the contrary notwithstanding and I/we shall not by paying off the sum guaranteed or any part thereof or upon any other ground prove or claim to prove in respect of the sum guaranteed any

part thereof or take advantage of any securities held by the Bank until the whole of your claim against the Principal has been satisfied.

12. A demand in writing shall be deemed to have been duly given to me/us or my/our heirs or assign by leaving the same at my/our last known address hereunder written and shall be effectual notwithstanding any change of address or notwithstanding notice thereof to the Bank, and such demand if sent by Post shall be deemed to be received by me/us or my/our heirs assigns 24 hours after posting thereof and shall be sufficient if signed by any officer of the Bank, and in proving such service it shall be sufficient to prove that letter containing the demand was properly addressed and put into the Post.

13. In the event of this Guarantee being determined either by notice by me/us or by demand in writing by the Bank, it shall be lawful for the Bank to continue the account of the Principal notwithstanding such determination and my/our liability for the moneys advanced or paid or agree to be advanced or paid and liabilities or obligations incurred by the Bank at the date when the guarantee is so determined shall remain notwithstanding any subsequent payment or out of the cash credit by or on behalf of the Principal upto the limit aforesaid.

14. The guarantee shall not affect or be affected by any other or further securities taken or held by the Bank or by any loss by the Bank of any collateral or other security not by the Bank's failing to recover by the realisation of collateral securities or otherwise any sum or sums due from the Principal or any other person, or any laches on the Bank's part, nor shall you be responsible to me/us for any such loss or laches.

15. Any account settled or stated between the Bank and the Principal or admitted by the Principal shall be accepted by me/us as conclusive evidence. A certificate in writing signed by any officer of the Bank stating the amount at any particular time payable under this guarantee shall be conclusive evidence against me/us.

16. This Guarantee shall be enforceable notwithstanding any change in the name of the Bank, and it shall ensure for the benefit of any banking company with which the Bank may become amalgamated or to which the Bank shall assign it.

17. Should the Principal be a limited company corporate or incorporate body, committee firm, partnership, trustees, or debtors or operate on a joint account, the provisions hereinbefore contained shall be construed and take effect where necessary as if words importing the singular number included also the plural number. This Guarantee shall remain effective notwithstanding any death, retirement change, accession, or addition, as fully as if the person or persons constituting or trading or acting as such body, committee, firm, partnership, trustees, or debtors or joint account at the date of the Principal's default or at any time previously was or were the same as at the date hereof, In the event of there being more than one guarantor the liability of the remaining guarantors shall not be affected or released or given up by time or other indulgence to one or more of the guarantors until notice shall have been given to the Bank as provided in clause 2 hereof.

18. The Bank shall be entitled to fix with the Principal a period for such loan/overdraft/cash credit account facility and to alter or extend such period from time to time. The Bank shall be entitled from time to time to take renewals of hundies, promissory notes and other documents and securities from the Principal. The Bank shall be entitled to take one hundie or promissory note or other document for the whole amount hereby guaranteed or to split up the amount and take separate document for each part and to take any such documents from the Principal alone or from the Principal and other person or persons whose identity may vary from time to time. My/Our liability under this guarantee shall not be discharged or affected in any way by reason of any such or similar acts or dealings.

19. And I/we hereby expressly declare that this guarantee and the powers and provisions herein contained are in addition to and not by way of limitation of or substitution of any former or other guarantee or guarantees heretofore given to you by

me/us (whether jointly with some other person or alone) and now existing uncanceled and this guarantee is non intended to and shall not evoke or limit such other guarantee or guarantees and that this guarantee shall be in addition and without prejudice to any other securities negotiable or otherwise which you may now or hereafter assess in respect of any moneys intended to be hereby secured and you shall be under no obligation whatsoever to marshal in my/our favour any such securities or any of the funds or assets that you may be entitled to receive or have a claim upon and you may at your own absolute discretion vary, exchange, renew release, modify or discharge or assign all or any of such securities or instruments negotiable otherwise and whether satisfied by payment in full or in part or not.

Signature of the Guarantor (s)