

(Bank Guarantee for Two Annual Instalments of principal and interest at a given time until the entire loan has been repaid)

Bank Guarantee

This Deed of Guarantee executed at
_____ this _____ the
_____ of _____, _____, by

(Name of the Bank) _____
_____ (address of the Bank)

[hereinafter referred to as "the Guarantor", (which expression shall include its successor or successors)] IN FAVOUR OF INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD, a Government of India Enterprise and a limited Company registered under the Companies Act,1956 (1 of 1956) and having its Registered Office at Core-4A, East Court, India Habitat Centre Complex, Lodi Road, New Delhi - 110 003, hereinafter referred to as "IREDA", (which expression shall include its successors or successors and assigns).

Whereas IREDA has agreed to lend and advance to
_____ (name of the Borrower/Company) _____
_____ hereinafter referred to as the "the Borrower" (which expression shall include its successors or successors) loan not exceeding Rs. _____ (Rupees _____ only) hereinafter called the "loan") for _____ (Name of the Project) upon the terms and conditions set-out in the Loan Agreement dated _____, the contents whereof have been noted by us and (a copy whereof is annexed hereto, (hereinafter referred to as the "said Loan Agreement").

Whereas one of the conditions of the loan is that the Borrower shall furnish guarantee of the Guarantor guaranteeing the aggregate of two Annual instalments of principal and two Annual instalments of interest payable thereon and which Bank Guarantee shall stand automatically renewed for further period/s and for subsequent aggregate amount of two Annual instalments of principal and interest as per schedule of payment of instalments of principal and interest as given in Clause 1 hereof until the entire loan of Rs. _____ with interest and other monies has been paid/repaid in full by the Borrower and/or by the Guarantor in discharge of guarantee obligations.

AND WHEREAS, the Guarantor has, at the request of Borrower, agreed unconditionally and irrevocably to guarantee repayment/payment to IREDA of the principal sum of loan, interest, additional interest and other monies due and outstanding from the Borrower, under the terms of the said Loan Agreement.

Now, therefore, in order to induce IREDA to make disbursements under the said Loan Agreement, the parties hereto agree as follows :

1. The Guarantor hereby confirms and notes that the principal amount of loan of Rs. _____ and instalments of interest payable thereon is payable as per following schedule of payment :

| Due Date | Instalment of principal (Rs. in lakhs) | Instalment of interest (Rs. in lakhs) | Total (Rs. in lakhs) |
|----------|--|---------------------------------------|----------------------|
| | | | |
| | | | |
| | | | |

2. The Guarantor absolutely, unconditionally and irrevocably guarantees the full, prompt and punctual payment by the Borrower of the principal sum of loan of Rs. _____(Rupees _____ only), interest, additional interest, other monies whatsoever becoming due and payable in accordance with the terms and conditions of the said Loan Agreement and in the event of default by the Borrower, agrees and undertakes to pay to IREDA the principal sum of loan interest, additional interest, other monies whatsoever becoming due and payable under the said Loan Agreement without demur provided further that this Guarantee Agreement shall be initially for aggregate amount of two Annual instalments of principal and interest as per payment schedule mentioned above and which Guarantee Agreement shall stand automatically renewed in both the cases whether the Borrower has paid instalments of principal and interest on due date/s or on failure of the Borrower to pay the said instalments on due dates, the Guarantor has paid instalments on receipt of notice from IREDA and this Guarantee Agreement shall stand automatically renewed for subsequent two Annual instalments of principal and two Annual instalments of interest at a time until the entire loan of Rs. _____ lakhs with interest has been paid/repaid in full as per payment schedule herein above given.
3. The Guarantor agrees that the guarantee hereby given shall be a continuing guarantee and shall extend to cover any instalment or instalments of the loan sanctioned and/or disbursed together with interest, additional interest and other monies payable to IREDA under the said Loan Agreement.

4. IREDA may directly enforce the obligations of the Guarantor without in any way first pursuing or exhausting any other rights or remedies which IREDA may have against the Borrower or any other party. The Guarantor hereby waives any notice of non-payment or non-performance by the Borrower under the said Loan Agreement and any presentment, demand, diligence or protest required under the applicable law to which the Guarantor might otherwise be entitled.
5. The Guarantor hereby agrees and consents to any variation, amendment or modification, alteration, change, waiver, compromise, release or indulgence granted or any other action taken under the said Loan Agreement or with respect to any or all of the Borrower's obligations under the Loan Agreement with or without its consent or knowledge and further agrees that such variance shall not affect its liability under this Guarantee Agreement.
6. No remedy herein or otherwise conferred upon, or reserved to IREDA shall be considered exclusive of any other remedy but the same shall be cumulative and in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute, and every power and remedy available to the IREDA may be exercised from time to time and as often as may be deemed expedient. No action or exercise of/or right, or remedy arising from any default or failure of the Guarantor to fulfill the terms of this Guarantee Agreement, or delay or omission in exercising such right, power or remedy shall impair, or be construed as a waiver of any such right, power or remedy or any other right, power or remedy.
7. The Guarantor represents and warrants that this Agreement of Guarantee has been duly authorised, executed and delivered by the Guarantor, is duly authorised and constitutes a valid and legally binding obligation of the Guarantor enforceable in accordance with its terms, is in full force and effect with no default thereunder and there is no action, suit, proceeding or investigation pending or threatened on any basis therefor, which questions the validity of this Agreement of Guarantee.
8. The Guarantor agrees and undertakes to execute, sign, seal and deliver all documents, papers, acknowledgements and other writings as may be required by IREDA at any time during the period this Agreement of Guarantee is in force with a view to more fully and effectively securing the monies due and payable by the Guarantor to IREDA in terms of this Agreement of Guarantee.

9. The Guarantor shall pay or cause to be paid all taxes, charges and fees now or hereinafter imposed on or in connection with the execution, delivery recording or registration of this Agreement of Guarantee, the obligation evidenced hereby or payment hereunder.
10. The Guarantor shall not assign or transfer this Agreement without having first obtained the written consent of IREDA. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind their several and respective successors.
11. The Guarantor hereby agrees that, in the event of default in payment on the part of the Borrower to the IREDA under the said Loan Agreement, the Guarantor shall, within two (2) days from the date of delivery by the IREDA to the Guarantor of a notice in writing of such default, fully discharge its obligations under this Agreement of Guarantee, together with interest, costs and other monies due and outstanding. The Guarantor hereby, further agrees that an intimation in writing by IREDA to the Guarantor that a default in payment has occurred, shall be treated as final and conclusive proof of the facts stated in the said notice.
12. It is hereby agreed that an admission or acknowledgement in writing by the Borrower or any person authorised by the Borrower or by any person authorised to draw on the account of the Borrower, or a certificate signed by any of the Borrower's Managers or other authorised officials of the amount of indebtedness of the Borrower to IREDA, shall be binding and conclusive on the Guarantor in any Court of Law or otherwise.
13. The Guarantor shall not be released from obligations hereunder, except upon receipt by IREDA of the last instalment of the principal, interest, costs and other monies due and outstanding to IREDA under the terms of the said Agreement.
14. The Guarantor hereby agrees that, on demand by IREDA the Guarantor shall make payments to IREDA under this Agreement at New Delhi.
15. Notwithstanding anything contained herein the guarantee obligations of the Guarantor under this Agreement of Guarantee shall initially be for the aggregate amount of two Annual instalments of principal and two Annual instalments of interest payable thereon as per schedule of payment mentioned in Clause 1 herein above and in the event of the Borrower paying the instalments of principal and interest on due dates or on failure of the Borrower to pay instalments of

principal and interest payable thereon on or before due dates and if the Guarantor is called upon to make payments of defaulted amounts of aggregate amount for two Annual instalments of principal and interest payable thereon, the Bank shall make payment of defaulted amount within 2 days from the date of the notice from IREDA and this Guarantee Agreement shall stand automatically renewed for subsequent next two Annual instalments of principal and interest without any request from the Borrower and/or IREDA and that the renewed Bank Guarantee shall be available to IREDA and shall remain in full force and effect until the entire amount of loan of Rs. _____ with interest and other monies payable thereon has been paid/ repaid in full and IREDA has discharged/released the Guarantor Bank of its guarantee obligations in respect of the said loan of Rs. _____ lakhs and interest and other moneys payable thereon.

All communications or notices under this Agreement of Guarantee shall be in writing or sent by telegram and shall be deemed to have been delivered upon receipt by the parties hereto at the following address

Guarantor address :

Mailing address :

Telegraphic address :

To the IREDA :

Mail address : Core 4-A, East Court, India Habitat Centre Complex
Lodi Road, New Delhi – 110 003

Telegraphic Address :

IN WITNESS WHEREOF, the Guarantor has caused Shri _____ and Shri _____ hereto set his/their hand for and on its behalf on this Agreement of Guarantee on the date, month first above written.

Signed and delivered by Shri

and Shri _____

for and on behalf of the
(Name of the Bank)

in the presence of

1.

2.

Note :

In case the Guarantee is issued on behalf of a Partnership Firm, the undernoted Clause may be added as Clause No.13 and subsequent Clauses renumbered.

"13. The Guarantor hereby undertakes that notwithstanding any change in the constitution fo the Borrower, either by way of retirement of any of the Partner(s) or induction of any new person(s) as Partner(s), or death of any one of the Partners of the borrower or dissolution of the Borrower or otherwise, the liability of the Guarantor under these presents shall not determine, and the Guarantee shall continue to remain in full force and effect."

