**GURANTEE BY DIRECTOR TO THE BANK**

To

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Bank

Dear Sir,

I the undersigned as Director of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Ltd. company of incorporated under the Companies Act, 1956 and having its registered office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Referred after it  as "Company") hereby execute this letter of guarantee.

A credit overdraft to the extent of Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ has been granted/ proposed to be granted to the Company per our request by the bank. We the Directors of the Company, also guarantee to you paying all moneys, not exceeding Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as due to you in future from the Company as depicted in the balance their account. The balance as stated here would include all interest, commission and other charges and expenses which you may in the course of your business charge in respect of any discount or advanced to the said company or otherwise. Further we to consent as follows:

1. This guarantee shall be enforceable and existing despite the fact if total amount Rs. \_\_\_\_\_\_\_\_\_ is advanced to the Company or only a portioned of the same.

2. This guarantee shall be a running guarantee.

3. Any negligence or forbearing by the bank in enforcing payment of any moneys against the Company, which is desired to be hereby secured or granting of time for paying thereof shall not in any way release us, the directors Company, of our liability under this guarantee.

4. We, as directors of Company jointly and severally shall be liable under this guarantee only to the limit of the sums as given in the Annexure enclosed hereto.

5. During the prevalence of this guarantee, if any of the directors dies or ceases to be a director of the Company and the Company is unable to substitute satisfactory guarantors in their place, the Company in that case shall pay to you the amount relating to such director. You shall accept this payment as made per this clause, in full satisfaction of all claims against such director concerning this guarantee.

Date:

Place:

\_\_\_\_\_\_\_\_\_\_ (Signature of the director with name)