**PAYMENT OF DEBT GUARANTEE - LETTER**

Dated:\_\_\_\_\_   
  
To   
  
M/s\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Ltd. (Creditors)

(Address)   
  
Dear Sirs,

In consideration of your supplying goods at my request to M/s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Principal Debtor) for the amount of Rs.\_\_\_\_\_\_\_\_\_\_\_\_ I, Mr. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

S/o Sh. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

R/o\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Surety) so guarantee the following to you:   
  
If the said M/s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Principal Debtor) does not pay all sums of moneys as due to you on above account I hereby undertake in paying same to you, on demand with interest @ \_\_\_\_\_\_\_ % per annum till payment.

The interest as stated above will be computed only from date of serving of registered notice of demand on me.

I to consent that this guarantee, also considered as a running guarantee, is not determinable on any payment /payments, and shall not be in effective by your granting any time, any concession or by the insolvency of the Principal Debtor.

This guarantee is given without prejudice to all my rights of reimbursement as against the said Principal Debtor, as Surety for paying all sums to you and costs, charges and expenses incurred as relating therewith.   
  
But, my guarantee is limited to pay the sum of Rs. \_\_\_\_\_\_\_\_\_\_\_\_ with interest at above state rate.   
  
Signature