

Credit Sale & Personal Guarantee Agreement

Building Materials & Hardware

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This guide explains what the tool produces, how to use the output, and what to watch for. The actual output (draft/report) is generated on the tool page.

Background

Drafts a credit-sale agreement with a personal guarantee, each term separate — credit limit and terms, security (PDCs/guarantee), interest on overdue, and default consequences — so credit you extend is documented and enforceable. Use it before extending significant credit. For the credit policy use the Contractor Credit & Collections Policy.

Purpose of this tool & output

Back credit with discrete, enforceable terms

How the output is used

Use the draft to back credit with discrete, enforceable terms — the credit limit, personal guarantee, security and default remedies — reviewed by a lawyer.

Who receives it

The agreement is between you and the customer (and the guarantor); each keeps a signed copy, and it underpins any recovery action.

Fees & charges

Stamp duty as applicable to the instrument and guarantee under your state stamp act; notarisation strengthens it.

Who should vet it

A lawyer, to make the credit limit, guarantee and default remedies enforceable and correctly stamped.

Important cautions

AI-generated draft; a personal guarantee and PDCs materially improve recovery — have a lawyer review to ensure they are properly executed and enforceable.

Companion documents

- Sub-Dealer Appointment Agreement
- Project Material Supply Agreement
- Transport / Delivery Contractor Agreement
- Godown / Showroom Lease Agreement
- Standard Sale Terms & Conditions
- Loading Labour Contract

This is AI-assisted guidance. Verify with a qualified professional before any binding decision. Fees, authorities and processes vary by state and change over time — confirm with your state authority.