

**SPECIMEN FORM OF GUARANTEE FOR  
PURPOSES OF SECTION 230**

To  
The President of India  
through  
The Commissioner of Income-tax,  
and  
The Income-tax Officer/Assistant Commissioner  
of Income-tax/Deputy Commissioner  
of Income-tax

Sir,

In consideration of a certificate being issued by the Income-tax Officer/Assistant Commissioner of Income-tax/Deputy Commissioner of Income-tax (Ward/District/Circle/Range) under the provisions of section 230 of the Income-tax Act, 1961, in favour of [name of foreign employee, spouse and dependents] [hereinafter referred to as the assessee(s)] notwithstanding that the assessee(s) has/have not made satisfactory arrangements for the payment of all or any of the tax/taxes (which terms wherever they occur in these presents include penalty and interest) which are at present due by [name of assessee(s)] and payable by him/her/them or may become due by [name of assessee(s)] and payable by him/her/them during the entire period of contract of service of \_\_\_\_\_ [Name of foreign employee] with the undersigned, ending on \_\_\_\_\_ and during a further period of two years ending on\*. \_\_\_\_\_ ; we, the undersigned [name of undersigned] do hereby unconditionally and irrevocably guarantee due payment on demand and without demur to the Central Government of all the taxes which are or may become due and payable by the assessee(s) under the Indian Income-tax Act, 1922, the Income-tax Act, 1961, the Excess Profits Tax Act, 1940, the Business Profits Tax Act, 1947, the Wealth-tax Act, 1957, the Expenditure-tax Act, 1957 and the Gift-tax Act, 1958 or any one or more of the said Acts or other tax or taxes imposed under the Authority of the Government of India.

**2.** My/our liability under this guarantee shall be co-extensive with that of the assessee(s).

**3.** I/We further agree that any amount certified by the Income-tax Officer/Assistant Commissioner of Income-tax/Deputy Commissioner of Income-tax having jurisdiction in the case of the assessee(s) as due and payable by the assessee(s) under all or any of the aforesaid enactments or other enactment(s) shall be accepted by me/us as conclusive evidence of the said amount being due

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and payable as aforesaid, and no such amount shall, in any case and under any circumstances be disputed.

**4.** This guarantee shall apply to and secure the ultimate amount of tax which may be due or become due from the assessee(s) to the Central Government under all or any of the aforesaid enactments and it shall not be determined by me/us except on the terms of my/our making full provision for the payment of all such taxes to the satisfaction of the Income-tax Officer/Assistant Commissioner of Income-tax/Deputy Commissioner of Income-tax having jurisdiction in the matter.

**5.** Further, I/we expressly agree that my/our liability to pay such taxes to the Central Government under the terms of this guarantee shall not in any way be affected or discharged by reason of any time and/or other indulgence (including the payment of tax by instalments being granted to the assessee(s) or by reason of any other arrangement or arrangements for the payment of taxes under all or any of the aforesaid enactments being entered into with the assessee(s) or his/her heirs or representatives in exercise of all or any of the powers vested in the taxing authority under the said enactments and, in particular, that I/we, the guarantor(s) shall not be released from any of our liabilities under this guarantee by reason of exercise of the abovementioned powers by the taxing authority or by any deviations of these presents, or by releasing to the assessee(s) any or all of his/her/their properties or assets; and it is also agreed with vis-a-vis the Central Government, I/we the guarantor(s) hereby waive any of my/our rights as surety or otherwise which may at any time be inconsistent with any of the provisions of this guarantee.

**6.** Further, I/we hereby agree and declare that this guarantee shall not be determined or otherwise affected by any death, dissolution or liquidation, but shall remain in full force and virtue against me/us and my/our estate/assets until such amount of tax as is or may become due and payable hereunder is paid in full.

**7.** It is further declared and agreed that without prejudice to any other remedies open to the Central Government for recovering any tax which is or may become due and payable under this guarantee, the Central Government will be entitled to recover the said tax from me/us as the guarantor(s) on demand, in accordance with the rules contained in the Second Schedule to the Income-tax Act, 1961 or any modification thereof from time to time, and it shall not be necessary for the Central Government to initiate and/or exhaust any legal proceedings against the assessee(s) for the recovery of any tax as is aforementioned before suing me/us for the recovery of the same.

**8.** It is further agreed that this guarantee will cease to be operative on (indicate the date as at above) if, and only if, I/we give notice before the date of expiry of the contract of service to the Income-tax Officer/Assistant Commissioner of Income-tax/Deputy Commissioner of Income-tax having jurisdiction in the case, regarding the revoking the terms hereof and permitted by the Central Government. (\*Please strike out whichever is not applicable)

Yours faithfully,

Place :

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Date :

Signed in the presence of :

1.

(Witnesses)

2.

And certified as correct.

ACCEPTED FOR AND ON BEHALF OF THE PRESIDENT OF INDIA