

<b>Undertaking cum Indemnity Deed for Forward Contract</b>
--

This Deed executed on the \_\_\_ day of \_\_\_, 20\_\_ at Thane by \_\_\_\_\_, a \_\_\_\_\_ and \_\_\_\_\_ registered under \_\_\_\_\_ and having its registered office at \_\_\_\_\_ (hereinafter referred to as "the Indemnifier" in favour of **TJSB Sahakari Bank Ltd.**, a Co-Operative Bank and registered under Multi State Cooperative Societies Act, 2002 and carrying on the business of Banking under the Banking Regulation Act, 1949 and having its registered office at **TJSB House, Plot no. B-5, Road no.2, Wagle Industrial Estate, Thane 400 604** and one of its branches at \_\_\_\_\_ (hereinafter referred to as "the Bank").

1. Whereas the Indemnifier has approached the Bank for sanctioning a Loan Equivalent Risk Limit of **Rs** \_\_\_\_\_ (Rupees \_\_\_\_\_ only) and the bank has sanctioned a **LER limit of Rs** \_\_\_\_\_ vide sanction letter no. \_\_\_\_\_ dated / /20 subject to the terms and conditions as contained in the said sanction letter ("sanction").
2. Whereas the Indemnifier agrees and undertakes the following -
  - (a) Any exchange/ interest risk on the forward contract/ derivative shall be borne by the Indemnifier.
  - (b) The request for forward contract/ derivative made by the Indemnifier is final and the Indemnifier undertakes to take pick-up/deliver the forward contract/ derivative during the delivery period.
  - (c) That the Indemnifier shall bear any charges for early delivery/ cancellation of the forward contract/ derivative for any reason for which the Bank is authorised to debit the Indemnifier's account with the Bank.
  - (d) That the Indemnifier shall intimate the Bank before the expiry of the forward contract / derivative in the event of / cancellation.
  - (e) That the Bank shall be authorised to act in accordance to the RBI regulations/ FEDAI directives in the absence of the specific instructions from the Indemnifier and the cost and exchange/ interest risk of the Indemnifier.
3. That the Indemnifier shall submit to the Bank, the application for cancellation of contract along with documentary evidence in time. Whereas the Indemnifier has accepted the said sanction and its conditions stated therein and thereafter has agreed to enter into the necessary specific forward contracts/ Derivative for each of the transactions undertaken/entered into by the Indemnifier, within the total eligible amount under the sum limit.
4. And whereas it is an understanding of both the Indemnifier and the Bank that the Indemnifier shall indemnify the Bank from any loss, damages and the fulfilment of the stipulations of agreement entered into or agreed to between the Indemnifier and the Bank subject to an overall maximum limit of **Rs** \_\_\_\_\_, hereinafter referred to as the sanctioned LER limit.
5. As a condition of the bank agreeing to sanction the over all limit of **Rs** \_\_\_\_\_ namely the LER limit to the Indemnifier, the Indemnifier, its successor and assigns irrevocably and unconditionally undertake and confirm that the Indemnifier shall in all and/or in each and every contract entered into by the Indemnifier within the overall limits as outstanding and shall pay the amount payable in respect of the maturity from the said contracts plus interest and other dues without raising any disputes as to the liability of the Indemnifier at all times till the subsistence of the forward contract limits and or the arrangement between the Bank and the Indemnifier.
6. And whereas in case of the Indemnifier failing or refusing to honour the contract/ derivative for any reason whatsoever, the Indemnifier irrevocably and unconditionally accepts that the Bank shall have the right to recover the said amount together with interest and other charges which the Indemnifier has undertaken to bear and pay. The Indemnifier further undertakes to meet the obligation to pay the amount as per the contract when called upon by the Bank that the Bank may have against the Indemnifier. The Bank shall have the right to debit/credit

such accounts of the Indemnifier as may be available by the Bank without any prior notice or intimation there to and recover the amount. The Indemnifier undertakes and agrees that in such an event the right to set off such accounts shall stand in priority over any other dues including any statutory dues.

7. The Indemnifier further undertakes irrevocably and unconditionally that the Bank shall not be responsible for and shall be entitled to be indemnified notwithstanding any bona – fide act, error or omission of any of its Branch and/or correspondents or insolvency or failure of business of any of its correspondents, and that the happening of any one or more of the contingencies referred to hereinbefore in this clause shall not affect, impair or prevent the vesting of any of the Bank's rights or powers hereunder or accrual of the Indemnifier's liability to pay the Bank unconditionally the amount due under the said forward contracts/ derivatives together with interest and all costs charges and expenses which liability is hereby irrevocably and unconditionally accepted and acknowledged and the Indemnifier agrees that the Bank shall have no liability in respect of any such matters and that the Indemnifier shall hold the Bank harmless and indemnified in respect of any and all damage and loss whatsoever suffered by the Bank by reason of any and all action taken by the Bank or any of its Branch or in furtherance of the Indemnifier's above request for booking the said forward contracts/ derivatives in furtherance and extension and not in limitation of the specific provisions hereinbefore set forth, it is hereby further agreed that by action, inaction or omission, mistake or oversight taken or suffered or made by the Bank , or by any of its Branch under or in connection with the said forward contract if in good faith, and in conformity with such foreign or domestic laws customs or regulations as the Bank or any of its branch or correspondents may deem to be applicable thereto, shall be binding upon the Indemnifier and shall not place the Bank or any of its Branch under any resulting liability to the Indemnifier.
8. The Indemnifier further undertakes irrevocably and unconditionally to keep the Bank indemnified and saved harmless in respect of any amount payable towards Indian Income-tax interest or any other dues under the said forward contracts/ derivatives or in respect of anything done or omitted to be done in connection therewith as also for all costs, charges, losses, expenses, claims or demands which the Bank may incur, suffer or sustain or be put to or which may be made against the Bank.
9. The Indemnifier further undertakes irrevocably and unconditionally that in such an event i.e. in case of default, the Bank shall be at liberty to proceed against the Indemnifier as a creditor and all the rights which are available in law with the creditor shall be applicable and available to the Bank mutatis mutandis.
10. The Indemnifier agrees and undertakes to the following -
  - (a) That the trigger limits shall be as under
    - (i) For the Indemnifier who is regularly booking and cancelling/ doing cross currency bookings of forward contract and the cancellations being more than 75% of the bookings, when the exposure reaches 90% of the sanctioned LER limit.
    - (ii) For the Indemnifier not fulfilling the above requirements, when the exposure exceeds the sanctioned LER limit
  - (b) The Bank shall be computing the exposure based on RBI Regulations and the Indemnifier shall not contest the fact whether or not the trigger limit has been reached and the Bank's intimation of reaching the trigger limit shall be treated as final.
  - (c) That the Indemnifier shall not at any time exceed the LER limit as per sanction until a higher LER limit is sanctioned by the Bank.
  - (d) That In the event of the Indemnifier exceeding the LER limit, the Indemnifier shall be permitted to take further exposure under the LER limit provided
    - (1) the existing positions under the forward contracts/ derivatives are cancelled / unwounded by the Indemnifier at a profit. Or
    - (2) The Bank sanctions a higher LER limit and the Indemnifier provides the additional cash margin/ collateral as stipulated by the Bank is provided to the satisfaction of the Bank.
  - (e) That In the event of the Indemnifier exceeding the LER limit the Indemnifier shall authorise the Bank to act on behalf of the Indemnifier to cancel/ unwind the forward contracts/ derivatives so as to bring the LER limit within the sanctioned limit at the Indemnifier's cost.
  - (f) That the Indemnifier shall not make or effect any substantial change in the constitution or management of the Indemnifier without previous written consent of the Bank;
  - (g) The Indemnifier shall from time to time, intimate the changes in the authorised signatories of the Indemnifier, to the Bank and that in case the same is not intimated the Bank, the Bank shall not be required to abide by the instructions given by such signatories;
  - (h) That the Bank shall have the absolute and unconditional rights to cancel the contracts, deals or the transaction envisaged under this document in case the

Indemnifier fails to comply with the margin requirements, the terms of the transaction or any of the sanction terms stipulated by the Bank.

11. The Indemnifier undertakes that at any time and from time to time, on demand, to deliver, convey, transfer, provide or assign to the Bank the additional securities, of a value and character satisfactory to the Bank or to make such cash payment as the Bank may require, for securing any and all of the Indemnifier's obligations and/or liabilities, notwithstanding the maximum limit prescribed herein, arising out of or relating to the transactions envisaged hereunder and also for any and all other obligations and/or liabilities, absolute or contingent, due or to become due, which are now or may at any time hereafter, be owing by the Indemnifier to the Bank on account of the transactions hereunder.
12. The Bank, at the request of Indemnifier, has agreed to accept the instructions given by fax submission sent by the Authorized person(s) to carryout treasury activities envisaged under this document, under their signature in a similar way and manner as provided in the said operating instructions/account opening form and / or as written application and subject to the indemnity herein given by the Indemnifier to the Bank and the terms and conditions herein mentioned.
13. The Indemnifier shall indemnify and keep the Bank indemnified and save harmless, at all times against any and all claims, losses, damages, costs liabilities and expenses incurred, suffered or paid by the Bank or required to be incurred, suffered or paid by the bank and also against all demands, actions, suits proceedings made, filed instituted against the Bank, in connection with or arising out of or relation to:
  - (a) The Bank acting pursuant to, in accordance with or relying upon any fax submission pursuant to the request and authority conferred herein; and or;
  - (b) The Bank acting pursuant to or in accordance with or relying upon any fax submission received by the Bank, which it believes in good faith to be such a fax submission by the Indemnifier; and/or;
  - (c) Any unauthorized or fraudulent fax submission to the Bank.
14. The Bank shall not be liable for any losses or damages which Indemnifier may suffer as a consequence of the Bank acting in accordance with or in reliance upon any fax submission or otherwise pursuant to the authority conferred herein, upon the Bank.
15. Bank shall not be under any obligation at any time to maintain any facility for the receipt of any fax Submission or to ensure the continued operation or availability of such facsimile facilities or equipment.
16. Indemnifier acknowledge and confirm that Indemnifier is aware of the nature of communication services that the fax transmissions may not be received properly and may be understood or read by or be known to any unauthorised persons. Indemnifier agree to assume and bear all the risks involved in respect of such errors and misunderstanding and the Bank shall not be responsible in any manner for the same or breach of confidentiality thereto and shall also not be liable for any claims, loss, damage, cost or expense and liability arising there from.
17. The indemnifier undertakes that in the event that:
  - (a) the Mark to Market value of any or all the deals entered into between the Indemnifier and the Bank reaches or crosses the LER limits (i.e. resulting in a negative MTM which may indicate either a probable or certain payment obligation by the Indemnifier to the Bank on the respective settlement dates of any deal) sanctioned in terms of this sanction letter, or
  - (b) there is a failure by the Indemnifier to furnish such margin as may be demanded by the Bank with respect to any deal entered/ to be entered by the Indemnifier with the Bank or
  - (c) there is a failure by the Indemnifier to accept any terms/ modified terms with respect to any deal entered / to be entered into by the Indemnifier with the Bank, -

Then, without prejudice to any other rights that the Bank may have in this regard (including but without limited to demanding from the Indemnifier ,such margin for any outstanding deal as may be deemed fit by the Bank) the Bank shall have an absolute and unconditional right to unwind/ close / terminate any or all of the outstanding deals which the Indemnifier has entered into with the Bank and the Indemnifier hereby gives its express consent to such unwinding/ closure/ termination and no further consent to that effect shall be required by the Bank from the Indemnifier at the time of unwinding / closing / terminating any specific deal and the Indemnifier further undertakes that any such loss that may result by reason of any such unwinding/ closure/ termination shall be solely borne by the Indemnifier and the Indemnifier acknowledges that it is

well aware of such risk in the transactions and deals that may be entered into with the Bank and has evaluated it and accepts the same.”

The Indemnifier agrees and confirms that the Indemnifier shall bring to the notice of the Board of the Company (i.e. the Indemnifier) and get the acts of having issued the indemnity, noted and or ratified in the next board meeting and shall provide appropriate provisions in the balance sheet if required to do so by the auditors of the Indemnifier. (OR) The Indemnifier confirms that the Board has authorised the issue of this indemnity and shall ensure that appropriate provisions in the balance sheet shall be made, if required to do so by the auditors of the Indemnifier.

18. This indemnity shall be a continuing indemnity and shall not cease or terminate by influx of time subject to the ability of the bank as paid to the satisfaction of the bank.

For \_\_\_\_\_

#### Authorised Signatories

IN WITNESS WHEREOF THE COMMON SEAL OF  
\_\_\_\_\_, having its  
registered office at \_\_\_\_\_,  
\_\_\_\_\_ has been hereunto affixed pursuant to the  
resolution of its Board of Directors passed at the Meeting held on the  
\_\_\_\_\_ day of \_\_\_\_\_, **20**\_\_ in the presence of:

Mr./Mrs./Ms.

Mr./Mrs./Ms.

the Director/s and/or the Authorised Signatories, who have in token thereof, subscribed their signature hereto.