

**COUNTER INDEMNITY FOR BUYER'S CREDIT/LETTER OF  
UNDERTAKING/LETTER OF CONFORT LIMIT**

**THIS COUNTER INDEMNITY** is executed at Thane on \_\_\_\_ day of \_\_\_\_\_ 2010 by

\_\_\_\_\_ and having its Registered Office at

\_\_\_\_\_ through its authorised signatory  
\_\_\_\_\_ (hereinafter referred to as the "**Obligor**", which expression shall unless it be repugnant to the context or meaning thereof include its successors and permitted assigns and all persons deriving/claiming title there under)

IN FAVOUR OF

**TJSB Sahakari Bank Ltd.**, a Scheduled Multi State Cooperative Bank and having its Registered Office at TJSB House, Plot No. B-5, Road no.2, Wagle Industrial Estate, Thane 400 604(hereinafter referred to as the "**Bank**", which expression shall unless it be repugnant to the context or meaning thereof shall include its successors and assigns)

WHEREAS:-

- 1) At the request of the Obligor, the Bank has granted/agreed to grant/sanction a Buyer's Credit/Letter of Undertaking/Letter of Comfort limit upto a maximum limit of **Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ Only)** vide sanction letter no. \_\_\_\_\_ to the Obligor and under such Buyer's Credit/Letter of Undertaking/Letter of Comfort limit to execute/executed Bonds, Indemnities and Bank guarantees on behalf of the Obligor to various persons and parties from time to time.
- 2) One of the terms of sanctioning the said Buyer's Credit/Letter of Undertaking/Letter of Comfort limit and executing the said bonds, indemnities and guarantees there under in favour of third parties as aforesaid, was that the Obligor shall execute in favour of the Bank a Counter Indemnity indemnifying it from any costs, charges, expenses, claims and demands under the said bonds, indemnities and guarantees executed and to be executed hereafter by the Bank on behalf of the Obligor.

NOW THESE PRESENTS WITNESSETH AS FOLLOWS: -

1. In consideration of the Bank having granted/agreed to grant/sanction Buyer's Credit/Letter of Undertaking/Letter of Comfort limit to the Obligor and having agreed to execute/executed various bonds, indemnities and guarantees and any renewal, modification or extension thereof on behalf of the Obligor there under, (hereinafter referred to as the "**deeds**") and undertaking the obligations there under, the Obligor doth hereby agrees to indemnify and doth hereby indemnify and hold, saved, harmless and indemnified the Bank at all times hereafter from and against all losses, damages, costs, charges and expenses which Bank may sustain, incur or suffer or be put to or become liable for by reason or as a consequence of Bank having given and executed the said deeds in favour of various persons/parties and also from and against all actions, suits, proceedings, claims and demands whether for principal, interest or otherwise

whatsoever made or preferred against Bank in relation to or arising out of or in connection with the said deeds and against all costs, charges and expenses incurred or which may be incurred by the Bank in connection with the preparation and execution of these presents or in connection herewith or the rights of Bank hereunder.

2. The Obligor hereby irrevocably and unconditionally agrees and undertakes to pay without any demur and/or contestation as also without going into legality or propriety of such demand forthwith to the Bank, on its first demand, the amount which the Bank may have to pay/be called upon to pay under the said deeds and/or the amounts of all claims which may be made or preferred against the Bank under or in relation to the said deeds including all interest, costs, charges and expenses which may be incurred by the Bank or become payable by the Bank in fulfillment of the terms of the said deeds and/or any sum spent by Bank in recovering monies due from the Obligor under these presents on full indemnity basis, together with interest thereon at the rate of..... % p.a. or such other rate as may be notified by the Bank to the Obligor from time to time from the date the Bank so incurs or pays the same till the date of payment by the Obligor. The Bank also will have a right to inter alia recover monies due as aforesaid from the Obligor by charging/debit to the Obligor's accounts with the Bank.
3. The Obligor doth hereby agrees, records and confirms that merely on demand from the beneficiaries under the said deeds, the Bank shall be entitled in its absolute and unfettered discretion to make payment of the whole or any part of the amount or amounts under the said deeds as it may be called upon to do so by the concerned beneficiaries without going into the question of the validity, propriety or legality of the said demand and without any reference to the Obligor and notwithstanding any directions from the Obligor to the contrary as also notwithstanding any dispute between the Obligor and the beneficiary/ies and that the Obligor shall not have any right to question or dispute in any way whatsoever the Bank making such payment but shall be bound by it.
4. The Obligor further agrees and undertakes that whenever called upon by the Bank to do so, the Obligor shall deposit and keep deposited with the Bank such sum or sums of money as may be required to be held by the Bank as margin against all claims arising under the said deeds, until all the said deeds are discharged and returned to the Bank. The Obligor shall also on demand from the Bank do, perform and execute and cause to be done performed and executed any act, deed, matter or thing which the Bank may require as further security and for indemnifying it against the consequences in connection with the said deeds.
5. The Obligor further agrees and undertakes that the Bank, its successors and assigns may in its/their absolute discretion and without reference to the Obligor and notwithstanding any direction to the contrary by the Obligor or any other person on the ground of disputes as to the liability of the Bank, admit or compromise, pay, submit to arbitration, dispute or resist any claim or demand made against the Bank under or in respect of the said deeds or any of them and that this Counter Indemnity shall be available to the Bank or its successors or assigns in respect of any action or payment which it/they may so take or make.
6. The Bank shall, at its discretion, be entitled to renew any deeds and extend/revise the period of the Bank's liability without reference to the Obligor.

7. This Counter Indemnity shall continue to be in force and shall be available for any extended period of the said deeds on being renewed and shall not be prejudiced or affected by any change in the constitution of the Obligor and/or the Bank howsoever arising and that the successors, the heirs, executors and administrators of the Obligor shall continue to be liable in terms hereof.
8. This Counter Indemnity shall be irrevocable and shall remain in full force and the Obligor shall not claim back the margin money deposited with the Bank and/or other securities and that the Obligor shall continue to pay the Buyer's Credit/Letter of Undertaking/Letter of Comfort commission as may be stipulated by the Bank, until the Bank is fully discharged by the beneficiaries of all the liabilities under the said deeds and until the Bank has received duly cancelled deed or got the discharge confirmed in writing from all the beneficiaries and got the said deeds redeemed from them and all the dues and claims of Bank relating to the said deeds have been paid or satisfied in full.
9. This Counter Indemnity shall be a continuing guarantee and indemnity and shall extend to and cover any sum or sums of money payable by the Bank under the said deeds and shall be binding on the Obligor until the Bank is fully discharged from all liabilities under the said deeds and this Counter Indemnity shall not be considered as wholly or partly satisfied or exhausted by any payment from time to time made by Bank to the beneficiaries.
10. The giving or granting of time or any extension thereof to the Obligor or neglect, omission or forbearance on the part of the Bank in requiring or enforcing payment of any monies due hereunder, or any other variations, modifications or amendments to any agreement between the Bank and the Obligor shall not in any way prejudice, limit, restrict or affect this Counter Indemnity.
11. This Counter Indemnity shall be in addition to and not in substitution for any other security that the Bank may obtain from the Obligor, which shall do and perform and execute all acts, deeds, matters or things as the Bank may require as further security for due discharge of all the liabilities of the Obligor to the Bank.
12. The Obligor doth hereby further agrees and undertakes that the Bank, its successors or assigns may proceed against and recover from any property of the Obligor (including any monies or security for the time being held by the Bank on the Obligor's account) charged to the Bank by sale or otherwise and allocate and apply the net proceeds or sales and realisations thereof, independently in such order and in such manner as the Bank, its successors or assigns may think fit in or towards the payment of any monies payable by the Obligor to the Bank hereunder.
13. The Obligor agrees that the Bank shall at all times be entitled without reference to and the prior consent of the Obligor and for which the Obligor expressly gives its consent to vary and modify the terms of the said Buyer's Credit/Letter of Undertaking/Letter of Comfort limit which may include full margins as well as increase pricing and the execution of the said deeds by the Bank on behalf of the Obligor and this Counter Indemnity shall extend to and cover the expenses reflected by as also any additional liability arising on, the Obligor in consequences of any such variation or modification. Further, the Bank shall be at liberty without in any way effecting the liability of the Obligor hereunder and for which the Obligor gives its consent to the Bank to vary the term or terms recorded in any of the said deeds/Buyer's Credit/Letter of

Undertaking/Letter of Comforts or to release or discharge or to do any act or omission the legal consequences of which may be a discharge to the Obligor. This Counter Indemnity shall be a continuing security to the Bank and shall not be determinable or assignable by the Obligor at any time.

14. Until all the liabilities hereunder have been discharged in full the Obligor shall not set off or claim or prove in competition with the Bank in respect of any payment hereunder or have the benefit of or share in any payment or composition in any guarantee or security now or hereinafter held by the Bank.
15. That if for any reason the Bank is prevented by any action initiated by the Obligor from making payment to the Beneficiary of the guaranteed amount under any of the said deeds the Obligor shall also be liable to pay to the Bank apart from the other amounts payable to the Bank, Buyer's Credit/Letter of Undertaking/Letter of Comfort commission for the period for which the Obligor delay, by such action, the payment or discharge of any of the said deeds in accordance with the applicable terms of the Bank in that behalf.
16. A demand in writing shall be deemed to have been duly given to the Obligor by sending the same by Registered post addressed to the Obligor at Madhukar Bhavan, Road no.16, Wagle Estate, Thane 400 604 and shall be effectual notwithstanding any change of address which is not notified to the Bank in writing and such demand shall be deemed to be received by the Obligor in due course of post and shall be sufficient if signed by anyone or by anyone of the officers of the Bank and in proving such service it shall be sufficient to prove that the letter containing the demand was properly addressed and dispatched by registered post.
17. The Obligor agrees that the Bank is entitled to charge commission, as per Bank norms from time to time, on the full amount of the Buyer's Credit/Letter of Undertaking/Letter of Comfort limit in advance for the period, for which Buyer's Credit/Letter of Undertaking/Letter of Comfort remains enforceable including the maintenance period and the period of extension, if any.
18. The Obligor hereby agrees that as a pre-condition of the said Buyer's Credit/Letter of Undertaking/Letter of Comfort Limit granted to them by the Bank that in case the Obligor commits default in the repayment of the respective Buyer's Credit/Letter of Undertaking/Letter of Comfort facility/ies or in the repayment of interest thereon or any of the agreed monies due and payable as aforesaid the Bank and/or Reserve Bank of India will have an unqualified right to disclose or publish Obligor's name or the name of Obligor's company/ unit and its directors as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.
19. The Obligor is aware that the stamp duty charges and other statutory charges connected with the issue of the said deed is liable to be borne by the Obligor. The Obligor in this regard indemnify the Bank and keep indemnified the Bank for all stamp duty or other connected charges, penalties etc as may be imposed on the said deed or counter guarantee by Courts/Tribunals/Stamp duty authorities/Statutory authorities.
20. This counter indemnity shall have deemed to provide power to the Bank to extend the said deed at the request of the Beneficiary or on the Bank's own accord and the said extension shall be valid and binding on the Obligor. This counter indemnity shall be

considered as a standing instruction/request to the Bank to keep the said deed renewed from time to time as may be required under the said deed.

21. The Bank shall be entitled to debit all other amounts due and payable by the Obligor under this Agreement (including but not limited to interest tax, fees, stamp duty, processing fee, login fees, costs, service/prepayment and other charges, including on account of execution and stamping of this Deed and any other documentation or security creation pursuant to this Deed, claims and expenses including expenses which may be incurred by the Obligor in the enforcement or attempted enforcement of security created in favor of the Bank) to the Obligor's Loan account, unless separately reimbursed to the Bank by the Obligor.
22. Interest for the purposes of this Buyer's Credit/Letter of Undertaking/Letter of Comfort limit shall be computed and debited taking the basis of 365 days a year.
23. The Bank shall be entitled to recover from the Obligor prepayment charges and other charges as per the sanctioned terms.

24. **Assignment and Transfer**

The Bank shall have a right to sell or transfer (by way of assignment, securitisation or otherwise) whole or part of the Credit Facility and outstanding amounts under the Credit Facility or any other rights and obligations of the Bank under this Deed or any other document pursuant hereto to any person/entity in a manner or under or under such terms and conditions as the Bank may decide in its sole discretion without reference to or intimation to the Obligor.

The Obligor expressly agrees, in the event of sale or transfer as aforesaid, to accept such person to whom the Credit Facility is sold or transferred as his lender and make the repayment of the Credit Facility to such person as may be directed by the Bank.

The Obligor shall not be entitled to directly or indirectly assign his rights or obligations under this Deed in part or in whole to any person.

**CIBIL disclosure clause**

19. The Obligor understands that as a pre-condition, relating to grant of the loans/advances/other fund based and/or non fund based credit facilities to the Obligor, the Bank requires the consent of the Obligor for the disclosure by the bank of, information and data relating to the Obligor, of the credit facility availed of/to be availed, by the Obligor. Obligations assumed/to be assumed, by Obligor, in relation thereto and default, if any, committed by the Obligor, in discharge thereof.
20. Accordingly, the Obligor, hereby agrees and gives consent for the disclosure by the Bank of all or any such:
  - a. information and data relating to the Obligor;
  - b. the information or data relating to any Credit Facility availed of/to be availed by the Obligor and
  - c. default, if any, committed by the Obligor, in discharge of such obligations, as the Bank may deem appropriate and necessary to disclose and furnish to Credit Information Bureau (India) Ltd. and any other agency authorised in this behalf by RBI.

The Obligor declares that the information and data furnished by the Obligor to the Bank are true and correct.

The Obligor undertakes that:

1. The Credit Information Bureau (India) Ltd, and any other agency so authorised may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them and
2. The Credit Information Bureau (India) Ltd. and any other agency, so authorised may furnish for consideration, the processed information and data or products there of prepaid by them, to Banks/FIs and other credit grantors or registered users, as may be specified by the Reserve Bank in this behalf.

\_\_\_\_\_  
Obligor/Authorised Signatory

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 \_\_\_\_\_, 2011 in the presence of:

Mr./Ms. \_\_\_\_\_

Mr./Ms. \_\_\_\_\_