**Counter Indemnity-To Bank**

This Agreement is made on……………….day of……….. between………………(hereinafter called “the Customer which term shall mean and includes, unless repugnant to the context, him/them, his/their executers, successors and assigns) of the first part and the ……………(hereinafter called “the Bank” which term shall include its successors and assigns) of the Second part.

Whereas The Bank through its……………………….. branch has agreed to guarantee and has guaranteed the payment of Rs………………(Rupees……………… ) obligations/performance/engagement as per contract arrangement entered into between the customer and ………………………………………….. on behalf of the customer as per the Letter/Agreement of Guarantee/Deed of Guarantee issued by the Bank at his/their/its request in favour of……………………………………., a copy of which is annexed herewith as part of this agreement and has been signed by customer, on the customer, on the customer Indemnity agreeing to pay commission and give his/their/its Counter Indemnity against any claim, loss/liability to be incurred by the Bank in consequence of giving the said Guarantee.

Now This Agreement Withnesseth as Follows:-

1. The customer hereby agrees that the Bank shall be and is entitled/authorized to pay the amount demanded by the beneficiary of the Guarantee furnished by the Bank at the request of the customer, without reference to the customer immediately and un-conditionally notwithstanding any intimation by the customer to the Bank of any disputes about any default, breach or non-performance of the guaranteed contract, in whole or in part of any other differences, whatsoever or any dispute or disputes raised by the customer in any suit or proceeding pending before any Court of arbitration or Tribunal relating to the guaranteed Contract, our liability being absolute and unequivocal. The said payment of the Bank shall be binding in all respect on the customer as validity & lawfully made on behalf on the customer. The customer agrees to reimburse and indemnifies the Bank for all the amounts so paid together with interest at the rate of ………………. and for costs and charges. The Bank shall be entitled to recover/realize the same from the customer after demand in writing and enforce all or any of the securities held by the Bank for the Guarantee furnished at the instance of the customer.

2. That the customer also indemnifies the Bank against all costs, charges and expenses with respect to any action, claim or proceeding with reference to or in connection with the said Guarantee which may be incurred by the Bank as a result of non-fulfillment of obligations by the customer.

3. That to secure payment of amount or any sum or sums due to the Bank under this Agreement of Counter Indemnity the customer has deposited cash margin of Rs……….. and/or has already pledged and handed-over as security his Fixed Deposit Receipt No………………………………………. dated……………………. duly discharged. The

customer authorizes the Bank to adjust or appropriate the amount of the cash margin/fixed deposit and interest towards satisfaction of the dues or claim under this Agreement at any time on or before maturity of the said FDR. In case of renewal of FDR, the customer agrees that the said FDR shall be and remain with the Bank as security with interest as aforesaid.

OR

Has already pledged as security his GP Notes authorized the Bank to satisfy its dues herein mentioned in sale of the said GP Notes……………………………………

OR

Hereby authorizes the Bank to earmarks as security the drawing power in his CC overdraft account to the extent of Rs……………….. and to utilizes and appropriate the same for satisfaction of its dues herein mentioned.

4. The Bank is authorized and entitled to appropriate at its discretion and any credit balance account to the extent of Rs……………….. and utilizes and appropriate the same for satisfaction of its due herein mentioned.

The Bank is authorized and entitled to appropriate at its discretion and any credit balance/deposit in the name of the customer without notice for and towards the customer’s liability. The Bank may at its discretion debit the amount to cash credit account of the customer, if any for realizing the amount due.

5 (a) The customer has agreed to pay commission to the Bank at the rate of …………% in consideration of the Bank furnishing or agreeing to furnish Guarantee to M/s………………………………………………. The amount of commission shall be payable by the customer as follows:

(b) The customer further agrees to pay the commission as aforesaid until guarantee issued is returned with endorsement of released from liability by the beneficiary or Letter of Release to the satisfaction of Bank is obtained from beneficiary and produced to the Bank.

(c) In the event of default of payment, the Bank shall be entitled to realise the amount of commission due to it from any of the securities of the customer herein mentioned as dues recoverable by the Bank from the customer and also personally from him/them/it.

6. The Bank shall be under no obligation to return any of the securities to the customer unless the guarantee given by the Bank has been returned to it by the beneficiary thereof.

7. The Counter Guarantee will not be discharged due to the change in the constitution of the Bank or the customer.

8. The above terms and conditions and the security furnished herein shall apply to and secure the extensions renewals, if any Guarantee made by the Bank from time to time.

In Witness whereof the parties hereto have set their hands in the presence of…………

Witness Signatures

1. 1.

2. 2.