

**COUNTER GUARANTEE FORM FOR LETTER OF CREDIT**

From: (Name of the Applicant & Address)

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
i.C. Application for Rs. \_\_\_\_\_

To,  
The Managing Director,  
The Cosmos Co-Op. Bank Ltd.,  
269 / 270, Shaniwar Peth  
Pune 411 030.

Guarantee for issue of Documentary Credit.

In consideration of your opening a Letter of Credit as per my/ our request, I/ We hereby agree and undertake as follows:

1. I/ We hereby agree and undertake to accept and pay all drafts drawn within the terms of the credit and/ or to take up and pay for all the documents negotiated thereunder on presentation, as also for any disbursement made or liability incurred by you for my/ our account under the credit, together with interest, costs, charges and expenses due to you in respect thereof as hereinafter mentioned.
2. I/We further agree to pay interest to you on the amount (s) payable in respect of my/ our liability under the credit, at applicable rate or at such other rate as may be prescribed by Reserve Bank of India from time to time. Interest at the aforesaid rate shall be payable from the date of negotiation of the bill/documents under the credit upto and inclusive of the date of expiry of 'a' period of 7 days after receipt of the documents by you, and thereafter at the rate of \_\_\_\_\_% per annum with quarterly rests until payment or at such other rate as may be notified to me/ us by you from time to time.
3. I/ We further agree to pay to you on demand commission and other charges that may be levied as per the bank rules in force from time to time.
4. We also agree to pay all costs (legal costs on full indemnity basis) customs duty, penalty, demurrage, storage charges and all other charges and expenses which you may be put to or suffer or incurred in connection with the goods and or the documents of title to goods, covered by the credit or in the exercise or enforcement of any right or power hereby conferred or otherwise however in the premises, and further agree and undertake to hold you safe and harmless and keep you indemnified against any claim, action, proceeding, liability or loss whether due to any defect or discrepancy in the documents and/ or the goods covered under the credit or otherwise howsoever.
5. I/ We further agree that you shall have a pledge upon all goods and documents of title to goods and other documents covered under the credit which may have been already delivered or shall be hereafter delivered into your possession or into or into the possession of your agents by me/us on my/our behalf or by any person, firm or company as a result of your opening the credit or in connection with the transaction thereunder. The said goods and the documents shall be deemed to be so delivered in pursuance of my/ our this agreement to pledge them to you as security for all payments which may be made by you or your agents under the credit for my / our account as also for any liability whatsoever incurred or which may be hereafter incurred by you or your agents as a result of the opening of this credit, together with interest, costs, charges, and expenses as herein above mentioned.
6. In the event of my/ our default in making payment of any bill drawn under the credit or of any disbursement made by you thereunder for my/ our account or any amount due to you in respect thereof, you shall be entitled without prejudice to any of your rights and without notice to me/us which I/ we hereby expressly waive, to sell the goods covered under the credit, whether before or after their arrival, either by public auction or tender or by private contract and subject to such conditions as you may deem fit to impose, or otherwise dispose of or deal with the said goods or any part thereof and or with the relative documents of title to goods in any manner whatsoever, without being bound to exercise any of these powers or liable for any loss in the exercise or non exercise thereof. The net proceeds realised from sale of the said goods or transfer of any document of title remaining after deducting therefrom the costs and expenses of an incidental to such sale or transfer, shall be applied in or towards payment or satisfaction of the amount (s) due to you in respect of any payment or disbursement made by you under the credit for my/ our account, and interest thereon and all costs, charges and expenses as hereinabove mentioned. I/ We agree to accept Bank's account of sale or realization as conclusive evidence both in and out of court as to the amount(s) realised and expenses incurred and to pay forthwith any shortfall or

deficiency remaining after such application. I/ We further agree that you shall not be liable to me/ us for any loss which may occur pending sale or disposal of the goods and/ or documents of title to goods, whether by reason of deterioration or depreciation in the value of the goods or otherwise howsoever caused.

7. I/ We agree to keep the said goods further insured from the time of expiry of insurance cover under the initial policy or policies of insurance, against all risks which are normally covered for goods of the nature purchased under the credit as also against such other risk (s) as may be required by you. Until all your dues in respect of the credit are paid in full, I/ we agree to pay to you forthwith moneys if received by me/ us under any policy or policies of insurance and until payment to you of such insurance moneys, I/ we undertake to hold the same in trust for you.
8. I/ We further agree and undertake to sign, execute and deliver to you for time to time on demand made by you, such further or other deeds, documents and writing and do all such acts, matters and things as may be required by you for better perfecting you title to the said goods and the documents covered under the credit and or to render the same readily saleable or transferable by you to any purchaser (s) at all times.
9. It is understood that the transmission of all instructions and communication under the above credit and the shipping / dispatch of documents and goods thereunder is entirely at my/ our risk. You and your agents shall not be responsible for any error or delay in such transmission or loss or delay in delivering of the documents or the goods nor shall you or your agents be liable in any respect beyond ensuring that the bill (s) drawn under the credit and the relative documents covered thereunder purport to comply with the terms and conditions of the credit.
10. I/ We have made adequate arrangement for retiring the bills under the credit and do not contemplate to seek any financial assistance from you for the purpose.
11. I/ We approve of the negotiations of the draft drawn under the credit being confined to your branches or agencies.
12. This application shall be deemed to have been accepted and the credit deemed to have been established when written advice thereof has been sent to the beneficiary.
13. I/ We agree and confirm that this credit may be amended and/ or modified by you in your absolute discretion including for an increased limit on our giving you written instructions for the same and in such an event such amendment / modification will be deemed to form part of this credit application and will be governed by the terms, hereof and I/ we agree, covenant, record and confirm that I/ we shall be bound by the same as if such amendment / modification including the increased limit had originally constituted the term of this credit.
14. This agreement shall be binding upon me/ us, my/ our heirs, executors, administrators/successors and shall ensure to the benefit of and be enforceable by you, your successors, transferees and assigns. If this agreement should be terminated or revoked by operation of law as to me/ us, I/ we will and I/ we hereby agree to indemnify and save you harmless from any loss which may be suffered or incurred by you in acting hereunder prior to the receipt by you, or your successors, transferees or assigns of a notice in writing of such termination or revocation.

**EXCEPT AS OTHERWISE EXPRESSLY STATED THIS CREDIT IS TO BE OPENED SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION) AS CONTAINED IN THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600 OR AS AMENDED FROM TIME TO TIME.**

Date:

Place:

Yours faithfully,

Signature  
(With rubber stamp)