

INDEMNITY ON ACCOUNT OF SHIPPING GUARANTEE

TO:

COMMERCIAL BANK OF CEYLON PLC

LC No [If Applicable].....

..... **Branch**

Account No.....

We place on record that at our request and for our sole benefit you have joined in signing a letter of guarantee to M/sagainst their delivery to us, the under mentioned goods, without production of the relative Bill of Lading or other documents of title.

BILL OF LADING NO.	MARKS & NO`S	PACKAGES [NO.]	VESSEL	DESCRIPTION OF GOODS	INVOICE VALUE

In consideration of your having complied with our request and having signed the above said letter of guarantee we hereby unconditionally agree to indemnify you and keep you indemnified against all consequences there of and against all demands, actions, proceedings, liabilities, claims, damages, losses, costs and expenses, including any losses due to fluctuation in the exchange rate, which you may suffer or incur by reason of your having signed the said letter of guarantee as aforesaid or the delivery of the said goods to us or otherwise in connection therewith and to pay to you immediately on demand losses costs and expenses made or suffered by you in consequence thereof or arising there from and that we will on receipt of the said Bill of Lading [or other documents of title] either deliver it to you duly endorsed or procure the return or discharge of the said guarantee.

In the event of holders of the relative bills of lading demanding payments from you or through, the vessel agents; you are hereby authorised to meet such payments up to the maximum amount for which you have countersigned our guarantee, debiting such payments to our current account or to any other account which we may have with you, notwithstanding the fact that such debits create overdrafts. We hereby agree to pay off such overdrafts on demand.

We hereby authorise you to retire the bills on receipt of the relevant original documents from your correspondent without further reference to us, notwithstanding any discrepancies whatsoever that may appear therein. All such discrepancies are hereby accepted. You may forward the original Bill of Lading to the said vessel agent and obtain cancellation of the shipping guarantee.

.....
Name stamp and authorised signature(s)

We hereby authorise you to debit our current account or any other account maintained by us with the bill value or shortfall that may arise at the time of retirement of the said bills, notwithstanding the fact that such debits may create overdrafts.

We further confirm that the value of the goods in the original invoice will not be in excess of the value of the goods as indicated in the guarantee bond.

We undertake to furnish to you on demand all Exchange Control and Import Control documents that you may require in connection with the importation of the said goods and the payment thereof by us.

As additional security we enclose our cheque for/enclose cash for/authorise you to debit our account and credit yourselves with the sum of Rs..... Such amount to be held by you as collateral security for the due discharge of our liabilities under this indemnity and we hereby agree that you may at your sole discretion and without prejudice to, or in anyway limiting other rights which you may have for recovery against us, apply without notice this deposit or any part of it, in or towards redemption of our liability on any bill drawn in connection with the above mentioned goods that may arrive through you or any other Bank or of any liability of ours under this indemnity.

We hereby further agree that until such time as we meet our obligations hereunder, the goods cleared by us as aforesaid or the sale proceeds thereof are to be held by us in trust for your Bank and such sale proceeds are to be held available to you. We also confirm that until the goods cleared by us as aforesaid are sold, they shall be properly insured against fire, theft and all other normal risks or such other causes and contingencies as you may require and we agree to assign to you the policy of insurance if and when demanded by you and that until performance of our obligations hereunder, the insurance money payable under such policy is to be held as available to you and if received by us shall be held by us in trust on your behalf until the same is paid to you.

We further authorise you to charge your guarantee commission and charges to our account.

The undertaking and authorities hereby given and conferred shall be irrevocable and all such undertakings and authorities shall continue in force until all moneys due by us to you at any time and from time to time shall be paid in full.

Dated at Colombo/.....on.....20.....

SIGNATURE VERIFIED
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Name stamp and authorised signature(s)

Any alterations must be properly authenticated by placing authorised signatories full signature