

## LETTER OF UNDERTAKING (LOU)

We refer to your email confirmation/ offer letter No \_\_\_\_\_ offering quote for Buyers credit against our LOU/ undertaking to our customer M/s \_\_\_\_\_ and accept the quote in full.

We, \_\_\_\_\_ (Name of the Bank) request you to arrange Buyers Credit of USD \_\_\_\_\_ (Amount in words & Figures) for a period of \_\_\_\_\_ days from \_\_\_\_\_ (Date of availment), against our unconditional undertaking to pay you the principal amount with the offered rate of Libor Plus \_\_\_\_\_ bps and other charges of USD100.00 on due date i.e. on \_\_\_\_\_ (Due date) for the following Trade Transaction.

1. Name of Importer :
2. Address of Importer :
3. Name of Exporter :
4. Address of Exporter :
5. Commodity :
6. Origin of Goods :
7. Shipment from :
8. Shipment to :
9. Shipment Date :
10. Vessel Name :

For the said Buyers Credit, We hereby unconditionally agree/ undertake as under:

1. We agree to pay you interest at the rate of Libor Plus \_\_\_\_\_ bps for the said period of Buyers Credit plus your charges of USD100.00 for the transaction. In case of prepayment of the loan also we undertake to pay you interest for the full period or as advised by you.
2. We undertake to pay you the amount of Buyers Credit with interest and your charges and will credit the amount to your designated account on due date as per your instructions.
3. We also undertake that in the event of any delay in crediting the amount to your designated account on the due date, we will pay you delayed period interest or overdue interest at 2.50% p.a. over and above the applicable interest rate.
4. We will also reimburse you any charges deducted by our correspondent bank/intermediary from the amount due to you.
5. We hereby undertake to pay you amount of any losses, cost or damages you may suffer in our failure to credit your designated account on the due date.

### **Payment Instruction (along with amount and swift codes):**

We request you to disburse the amount of USD \_\_\_\_\_ (Amount in words and figures) for credit to our account with \_\_\_\_\_ Bank (SWIFT CODE \_\_\_\_\_) for further credit to \_\_\_\_\_ account No \_\_\_\_\_.

We further certify that :

1. The documents for the said transaction have been received and are in order. In case of need, we will make available to you or your authorized representatives all the documents relating to this transaction for your examination/ verification.
2. Necessary requirements under RBI/ FEMA/ AML/ Know Your Customer Policy have been complied with and the underlying transaction is a Bonafide Commercial Trade related transaction.
3. We confirm that the accounts of our Importer Customer, at our end, is classified as STANDARD asset.
4. We confirm that the importer, exporter and other related parties are not in banned entity list.
5. Necessary approvals from competent authority have been obtained and all regulatory guidelines in force have been duly complied with.
6. No other financial liability is outstanding in respect of the said transaction.

We agree and note that based on our above undertaking the Trade Finance is extended to us and without any demand or demur we will pay you the amount with applicable interest and charges on the due date.

In case of need you may contact \_\_\_\_\_ over phone No \_\_\_\_\_ E mail id - \_\_\_\_\_  
(Name, telephone number, Email id of the Bank/contact person of the LOU Bank)