

FORMAT OF LOU (LETTER OF UNDERTAKING)

QUOTE REF :

CONSIDERING THAT YOUR BANK ACCEPT/WILL CONSIDER OUR REQUEST & THE SAID OFFER WE CONFIRM THAT :

- (A) NECESSARY APPROVALS FROM COMPETENT AUTHORITY AS PER EXCHANGE CONTROL /FEMA REGULATIONS THAT ARE IN FORCE HAVE BEEN DULY COMPLIED WITH .
- (B) NO OTHER FINANCIAL LIABILITY IS OUTSTANDING IN RESPECT OF THE SAID TRANSACTION.
- (C) WE WILL MAKE AVAILABLE TO YOU AND /OR YOUR AUTHORISED REPRESENTATIVES ALL THE DOCUMENTS RELATING TO THE ABOVE TRANSACTION FOR YOUR EXAMINATION, IN CASE OF NEED.
- (D) NECESSARY KYC HAS BEEN DONE IN RESPECT OF OUR IMPORTER CUSTOMER AND THE TRANSACTION IS A BONAFIDE COMMERCIAL TRADE RELATED TRANSACTION.
- (E) THE VARIOUS CREDIT FACILITIES GRANTED BY US TO THE CONSTITUENT HEREIN ARE CLASSIFIED AS STANDARD ASSETS AS ON DATE.
- (F) WE CONFIRM NEITHER THE IMPORTER OR NOR THE EXPORTER ARE IN OFAC/OTHER SACTIONS LISTS AND WE UNDERTAKE TO INDEMNIFY YOU AGAINST ANY LOSS THAT YOU MAY SUSTAIN IN UNDERTAKING THIS TRANSACTION INCASE ANY OF THE INVOLVED PARTIES ARE LATER FOUND APPEARING IN OFAC/OTHER SANCTIONS LISTS.

1. THE PARTICULARS REGARDING IMPORTS ARE AS UNDER:

NAME OF THE IMPORTER AND ADDRESS:

SELLERS NAME AND ADDRESS:

SELLERS BANK AND ADDRESS: -----

AWB NO AND DATE: -----

NAME OF THE AIRLINE: -----

DESCRIPTION OF THE GOODS: -----

RAW MATERIAL OR CAPITAL GOODS -----

ORIGIN OF GOODS: -----

TENOR (BUYER CREDIT PERIOD): -----

AMOUNT OF LOAN: -----

INTEREST RATE: APPLICABLE LIBOR (NOT EXCEEDING 06 MONTHS LIBOR) + ----- BPS.

2. PLEASE EXTEND THE LOAN OF -----FOR THE ABOVE IMPORT TRANSACTIONS PLEASE REMIT THE RELEVANT SUM TO OUR -----ACCOUNT WITH ----- (SWIFT -----ACCOUNT NO ----- QUOTING OUR REF ----- DATED: -----AND VALUE DATED -----.
3. WE -----BANK, HEREBY UNCONDITIONALLY AND IRREVOCABLY AGREE TO REPAY THE PRINCIPAL AND INTEREST ON DUE DATE AT APPLICABLE -----MONTH LIBOR PLUS -----BPS UNDER THIS LOAN.
4. WE UNDERTAKE TO CREDIT PRINCIPAL PLUS INTEREST WITHOUT DEDUCTIONS OF ANY CHARGES IN BETWEEN BY ANY BANK TO JP MORGAN CHASE, NEW YORK (CHASUS33) FOR CREDIT ACCOUNT NO 544720348 OF CANARA BANK LONDON WITH THEM. WE WOULD BE LIABLE TO PAY FOR THE SHORTFALL AMOUNT & INTEREST FOR THE DELAYED PERIOD AT USD PRIME RATE PLUS 2.00 PCT WITH LATE PAYMENT CHARGES OF USD 500.00 & SWIFT CHARGES USD 100.00 PER MESSAGE WHICH WOULD BE IMMEDIATELY PAID UPON BEING ADVISED.
5. WE -----BANK, HEREBY AGREE THAT INTEREST WILL BE REMITTED TO YOU AT THE ABOVE RATE NET OF WITHHOLDING TAX IF ANY AT OUR END.ON ACCOUNT OF ANY TAXES OR ANY CHARGES OF OURSELVES, NO DEDUCTION WILL BE LEVIED TO YOU.

REGARDS

-----BANK.