

Letter of Credit / Buyers's Credit against Cash Margin

Annexure 'A'

**APPLICATION FORM FOR SANCTION OF LETTER OF CREDIT (LC) (INLAND/FOREIGN) AND
BUYERS CREDIT AGAINST 100% or 110% CASH MARGIN**

To,
The Manager,
Branch Address
Axis Bank Ltd.

(a) I/We, _____ (Name of the Applicant) am/are holding Operating Account No. _____ with your bank. I/We request you to issue a Letter of Credit (Inland/Foreign)/ Buyers credit, as per format enclosed and as per details given below :

☐ against the margin in the form of FD(s)

FD Holder's Name	FD Number	Maturity Date	Amount (in Rs)

And/Or

☐ I/We request you to debit my/our current/savings account no. _____ with you for INR _____ for opening new FD(s) as per the following details:

Name of the depositor	Amount (In Rs)	Tenor of FD	Renewal Instructions	Type of FD
			AUTO-RENEWAL	INTERSET PAYOUT ON MATURITY

In relation to the FD(s), I/We agree and confirm that:

- (a) All terms and conditions, applicable to FD(s) with Axis Bank and as uploaded on www.axisbank.com, not expressly over-ridden herein, shall continue to apply in relation to the FD(s) and the same shall be binding on me / us including any alteration, changes, revision etc. as may be done by Axis Bank, at its sole discretion, applicable from time to time.
- (b) Axis Bank is authorised to renew the FD(s) during the subsistence of the Facility or for the tenor of any or all of the LC so issued under the Facility(ies).
- (c) I/We hereby confirm and undertake that the afore Fixed Deposit is placed as security/collateral security for the due repayment of the liability arising out of the aforesaid Letter of Credit (Inland/Foreign)/ Buyers credit and the ultimate liabilities due/that may become due to the Bank. In addition to your right of set off, Axis Bank shall also have right at any time and without prior notice or reference to me/us and without my/our consent to

adjust, appropriate or to set off any credit balance or any part thereof due to me/us in my/our current/ savings /any other deposit account or any account whatsoever including the aforesaid Fixed Deposit at any of Axis Bank branches in my/our name(s) (hereinafter referred to as the "Deposit") with or without joint names of any other persons on or before the dates of maturity thereof towards the satisfaction or part satisfaction of outstanding balances or loan, or of the amounts due or to become due by me/us to you in any account including under the aforesaid Letter of Credit (Inland/Foreign)/ Buyers credit at any of Axis Bank branch/branches whatsoever.

- (d) That in case of default or dues under the aforesaid Letter of Credit (Inland/Foreign)/ Buyers credit are not repaid on demand, the Bank may take all steps necessary to prematurely encash the Fixed / Term Deposit to itself or set off or uplift the securities/ Fixed or Term Deposits hereby offered or held at any time or transfer / assign or reassign the same considered to be reasonable by the Bank and appropriate the net amounts towards discharge of all my / our liabilities in the account/s with the Bank at any of its branch(es). Should there be any shortfall, I/We hereby undertake to pay the same along with interest at the rate specified in the sanction, on demand by the Bank without any demur and the Bank may reserve its right to initiate appropriate proceedings against me/us for recovery of its dues from me/us.
- (e) The security held on the terms of this Letter shall act as continuing security for ultimate balance of all monies that may be due from me/us to the Bank. Neither the said security nor this Letter shall be considered as terminated by reason of any change in the constitution or by death/ retirement (in case of partnership) or otherwise and shall be fully binding on my/our legal representatives, heirs, executors, administrators and assigns.

1. Details of LC:

Beneficiary Name: _____

Beneficiary Address: _____

Currency of LC/SBLC: _____

Amount of LC /SBLC (in figures & words):

Payment terms: _____ Last date of shipment: _____ Expiry Date of LC: _____

Security Value %: 100 % OR 110 %

2. I/We declare that this application is not in violation of the Companies Act, 2013, the Foreign Exchnage Management Act, 1999 and regulations made thereunder, and all other laws as may be applicable to the transaction and the parties hereto. I/We declare that the company currently is not undergoing any restructuring and further declare that this request is to meet business requirement. I/We agree for levy of charges as per the schedule of charges of the Bank (displayed on the bank's website: www.axisbank.com) or as per the specific pricing approval/sanction, if any. I/We unconditionally agree to the terms and conditions set out below which we have read and understood.

☐ We hereby confirm that we have not availed any fund / non-fund based facility from any bank in India;

or

☐ As on date of this application, following credit facility(ies) are being availed by me/us:

Name of the bank/financial institution & branch	Fund based (INR In Cr)	Non-Fund based (INR in Cr)

3. We enclose herewith the duly stamped LC application/BC request letter alongwith duly signed/accepted PO/PI/Indent, IEC Code, Exchange control copy of License (applicable only in case of goods that are not covered under OGL)
4. Please debit your charges/LC/SBLC commission in this connection to my/our Current/Cash Credit Account no._____ with our/your_____branch.

Signature of Party on whose behalf LC/SBLC is sought

Signature of Applicant/FD Holder/s

(Stamp of the Party to be affixed)

(Stamp of the party to be affixed)

(Applicable in case of third-Party fixed deposit)

Place:

Date:

Applicable in case the Applicant for the LC/BC limit is a Company

In terms of the Resolution dated _____, Shri/Smt._____ and Shri/Smt._____, the Signatories to the application above are duly authorized to make the Application and avail the Facility. It is also confirmed that the said Resolution is valid and subsisting as on the date of the above Application. I/We confirm that as per company's Articles of Association and/or Board Resolution, execution of agreements are required/not required to affix common seal of the Company. If required Mr._____and Mr._____ are authorized to affix the same.

< Where will the common seal be affixed on the application as above and clarify if the following wordings have to be incorporated if common seal is affixed>

IN WITNESS WHEREOF , the common seal of _____ has been hereunto affixed the date and year first hereinabove mentioned at _____.

The common seal of _____ has been affixed hereunto pursuant to the Resolution of The Board of Directors dated _____ in the presence of:

1.

2.

The director/s and /or the _____, who have in token thereof, subscribed their signature hereto

Name and Signature of Authorised Signatory
MD/CEO/CS/CFO/Whole-Time Director

Date :
Place:

(For Bank use only)

Approval/Sanction of limits Borrower

☐

Non Borrower

☐

The captioned customer has submitted a request for sanction of LC/BC limits against 100% / 110% Cash Margin. The customer has funded the operative account for the commission & margin. It is confirmed that the captioned customer is KYC compliant & all the relevant KYC documents are held on record and they have not availed any fund based facility from any bank in India. It is hereby confirmed that the documents have been executed by the Customer in the presence of _____ (name & designation of the Bank official, not below the rank of Manager) and accordingly we are pleased to advise sanction of LC/BC limit of Rs _____ (Rs _____) (including enhancement value) against 100% cash margin (by way of Fixed deposit) of Rs

_____ (Rs _____)

Branch/Circle/CBG Centre Head

Name:

Emp No.:

SS Number:

Designation: car

Signature of Authorised Signatory

Date :

For Axis Bank Limited

Place:

Terms and conditions governing Letter of Credit/Standby Letter of Credit (SBLC) and Rights of Axis Bank Ltd, the issuer

- i. The Parties agree that Axis Bank Limited will issue LC/SBLC subject to regulations and guidelines that may be issued by Reserve Bank of India (RBI) and other statutory / regulatory authorities.
- ii. The Parties agree that the LC/SBLC shall be issued and be subject to regulations and guidelines that may be issued by RBI and other statutory / regulatory authorities during its currency.
- iii. Axis Bank is authorized to debit the Current Account or liquidate the FDs as detailed in the application to make payments under the LC/SBLC, which may also lead to premature closure of the said FD.
- iv. The Parties hereto authorize Axis Bank to debit the Current Account as detailed in the application towards all costs, expenses, commission and charges in respect of the Issuance of LC/SBLC. In case of LC/SBLC is amended , Axis Bank is authorized to debit the Current Account towards commission for amendment of the said LC/SBLC.
- v. The Parties hereto agree that Axis Bank is authorized to renew the Fixed Deposit, covering the tenor of LC/SBLC as and when the LC/SBLC is renewed/extended with a continuing lien thereon, in liability under the LC/SBLC ; applicable in case

- vi. Axis Bank, LC/SBLC issuing Bank, shall have all rights, claims and privileges under Indian Contracts Act, 1872 as against the Parties herein, for the purpose of Sec. 145 of the Indian Contracts Act, 1872, Axis Bank Limited can treat the party on whose behalf LC/SBLC issued and the party on whose request LC/SBLC issued, as principal debtors, jointly and severally.
- vii. The Parties will be governed by regulations and guidelines that may be issued by Reserve Bank of India and other statutory / regulatory authorities from time to time during the currency of the LC/SBLC.
- viii. If the Customer defaults in paying the Bills / amounts paid / payable by the Bank in respect of the LCs on the Date of Crystallisation and consequently, if the Bank is called upon / required / expected to pay or has paid, all or any of the monies in pursuance of the LCs, the Customer shall forthwith pay / reimburse to the Bank, all amounts payable or, as the case may be, paid by the Bank under the LCs/SBLCs together with interest by way of Penal Interest as stipulated in sanction, prevailing on from the date the Bank was called upon / required / expected to pay or has paid upto the date of payment / reimbursement by the Customer to the Bank together with costs, charges, expenses and monies whatsoever stipulated in or payable as per sanction.
- ix. The Customer confirms that in respect of each LC -

- (a) the Documentary Credit Application shall be deemed to have been accepted when advice thereof has been sent to the beneficiary through SWIFT India/ SFMS / tested telex / airmail.
- (b) the date of receipt of Documents by the Bank under the LC Facilities, as registered in the records of the Bank, shall be conclusive and binding on the Customer.
- (c) the import of Goods is / are not in contravention of Trade Policy / Exim Policy guidelines and / or any other laws, policy and guidelines prescribed by the Government of India from time to time.
- (d) it has a valid Import Export code number assigned by the Director General of Foreign Trade.
- (e) it is authorised to undertake imports of the Goods, wherever applicable.
- (f) the transaction covered under the LC Facilities does not involve and is not designed for the purpose of any contravention or evasion of the provisions of Foreign Exchange Management Act, 1999 or of any rule, regulations, notifications, direction or order made thereunder or of any other law, rule, regulation or direction.

- x. I/We understand/agree/confirm that:
Depending on the volatility of forex markets, the Bank in its absolute discretion, may insist for additional/requisite cash margins for booking of forward contracts and we shall provide for additional margin on demand of the Bank.

To authorize the Bank to debit the Current/Operative Account towards additional margin requirements in case of market movement in foreign currency resulting in increase in liability under the LER or in case the funds are not sufficient, we undertake to provide additional funds towards margin to cover the shortfall within two banking days or as per bank's demand.

We shall from time to time, intimate the changes in the authorized signatories of the applicant / deposit holder to the Bank and that in case the same is not intimated the Bank, the Bank shall not be required to abide by the instructions given by such signatories.

- xi. I/We agree, undertake and confirm as under:
 - (a) I/We understand that as a precondition relating to the grant of and/or continuing the grant of the facility, the Bank requires the my/our consent for the disclosure by the Bank of, information and data relating to me/us, of the facility availed of/to be availed by me/us, in discharge thereof.
 - (b) Accordingly, the I/We hereby agree and give consent for the disclosure by Bank of all or any such:

- i. information and data relating to me/us;
- ii. the information of data relating to the facility/ documents; and
- iii. default, if any, committed by the me/us, in discharge of the my/our obligations under the facility,

as the Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Companies ("CIC") and any other agency authorised in this behalf by Reserve Bank of India ("RBI") and/or to Information Utilities or any other person pursuant to the Insolvency and Bankruptcy Code, 2016; and/or to any other statutory or regulatory or law enforcement authority (including Court and/or Tribunals).

- (c) I/We declare that the information and data furnished by the me/us to the Bank is true and correct and hereby specifically agree to promptly authenticate the 'financial information submitted by the Bank, as and when requested by the concerned Information Utility.
- (d) I/We also undertake that:
 - i. Any CIC and any other agency so authorised may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them; and
 - ii. Any CIC and any other agency so authorised may furnish for consideration, the processed information and data disclosed or products thereof prepared by them, to bank(s)/financial institution(s) and other credit grantors or registered users, as may be specified by the RBI in this behalf.
- (e) I/We agree, undertake and authorize the Bank to exchange, share or part with all the information, data or documents or other information as mentioned in this Clause and also the information relating to the conduct of the my/our accounts, credit history or repayment record, with other banks / financial institutions involved in the financing arrangement to the Borrower, whether under consortium or multiple banking or sole banking arrangement and also with the banks/ financial institutions intending to finance, as the Bank may deem necessary or appropriate as may be required for use or processing of the said information / data by such banks/ financial institutions or furnishing of the processed information / data to other banks / financial institutions / credit providers and the I/We shall not hold the Bank liable in any manner for use of such information.
- (f) I/We agree that in case I/We commit a default in payment or repayment of any amounts in respect of the facility, the Bank and/or RBI will have an unqualified right to disclose or publish the details of the default and my/our name, details of the directors, partners, as the case may be, as defaulters, in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit