

Annexure V

On the Letter head of the Company

Date: _____

To:

Axis Bank Ltd,

Dear Sir,

Negotiation of Bills: Undertaking for negotiation of bills (backed by LC)- Recourse to the LC beneficiary in case the transaction is involved with Fraud/ Judicial Intervention

In consideration of Axis Bank Ltd., a Banking Company registered under the Companies Act 1956, and having its registered office at 'Trishul', 3rd Floor, Opposite Samartheshwar Temple, Law Garden, Ellis Bridge, Ahmedabad 380 006, Gujarat (hereinafter referred to as the "Bank") at our request, granted to us a limit of Rs. _____ (in Words) _____ up to which the Bank would be negotiating or agreeing to negotiate all bills and other instruments drawn or accepted or endorsed by _____ (hereinafter referred to as the seller which the expression shall include its successors and permitted assigns and all persons deriving/claiming title there under) it is agreed between the Bank and the company that the stipulations contained herein shall apply to all such transactions whether the instruments mentioned above are with or without other documents of title to the goods/shipping documents, now lodged or which may be lodged by LC Beneficiary with the Bank. The Bills shall be backed by Letter of credit issued by Banker of the Applicant.

Transaction Details: Bill negotiation (backed by LC)

LC reference No.	:	
LC Applicant	:	
LC Beneficiary	:	
LC issuing bank	:	
Amount of LC (Rs)		
In Words	:	

Considering the transaction what is mentioned above we undertake that the same is subject to the transaction being free from any fraud and / or judicial intervention. The Bank shall retain their right of recourse to the company in case payment is refused /delayed by the issuer of the Letter of credit on account of fraud and judicial process etc.

The seller undertakes to ensure and safeguard the Bank's interest if there

occurred an event wherein the transaction involves fraud or judicial intervention undertakes that LC Beneficiary agrees to pay necessary dues to the Bank along with the penalty, charges, Legal costs/ charges incurred, if any, in respect of the relevant transaction shall be reimbursed by LC Beneficiary if any levied by the Bank in this regard and regularize the same for carrying on commercial/Banking activities in the said premises.

The seller hereby solemnly affirm that the documents rendered to the bank for the above transaction represent a genuine trade transaction and all of them are issued by the authorities competent to issue the same as per the Letter of Credit.

We also undertake that there is no subsisting dispute or legal proceedings pertaining to the above transaction in any forum either in India or abroad. We hereby indemnify Axis Bank Limited for any damage or loss caused by any of fraud or false declaration from our side.

LC Beneficiary also undertakes that AXIS Bank has agreed to do the above mentioned transactions solely based on LC Beneficiary confirmation and representation and that exporter is solely responsible for all the consequences that may crop up as a result of any fraud and judicial interference.

We, the LC Beneficiary confirm that this undertaking shall be irrevocable and in the event of such a claim, litigation cost or damages which may be raised against Bank, we shall indemnify and keep indemnified, Axis Bank and its successors and assigns in business of all such causes without demur. This indemnity shall remain in force as an unconditional and irrevocable indemnity for a period till the entire due under this facility is fully paid of and the Bank.

*I/We further declare that the undersigned has the authority to give this declaration and undertaking on behalf of _____ (Name of the firm/company).

IN WITNESS WHEREOF the deponents above named has signed and delivered these presents on this the _____ day of _____ 20____ at _____

[Signature(s)] _____

Affix the Authorized signatory and stamp of Company)

Name : _____

Designation : _____