

LETTER TO BANK FOR AVAILING PURCHASE INVOICE FINANCING



Branch: _____

Date:

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Reg: Purchase Invoice Financing / Discounting ("Facility")

Ref : Master Circular on Loans & advances dated 01st July 2015 as amended from time to time

We would request you to finance (where full value of the invoices are to be paid to the Vendor) / discount (where invoice value is to be paid less interest and charges to the Vendor), below mentioned invoices ("Invoice/s") issued by our Vendors and remit the proceeds by way of credit to their respective accounts, details of which are given in the table below.

We hereby irrevocably and unconditionally authorize you to collect your charges and interest from the proceeds and payment to be made to the Vendor OR to debit our account number _____ maintained with you towards interest and charges, at the time of financing / discounting of the Invoices. We hereby irrevocably and unconditionally authorize you to debit our account number _____ maintained with you towards recovery of proceeds paid to the Vendor by way of financing or discounting, as the case may be.

Proceeds , net of discounting charges or otherwise, are to be remitted to:

Vendor Name	Invoice Date	Invoice Due Date	Total Invoice Amount (INR)	Interest and charges deductible from the proceeds for discounting	Interest and charges deductible from the current account	Net Amount payable to the Vendor	Vendor's bank name& address	Vendor's Bank Account No.	Vendor's Bank IFSC Code

I/ We hereby unconditionally and irrevocably declare to you that:

1. The undersigned has/have the authority to give this declaration and undertaking on behalf of the firm/company.
2. In connection with the said Facility, we agree to execute and deliver such additional documents and perform actions as required by you to carry out or evidence the transactions/services carried out or contemplated under the Facility.
3. We shall furnish all other information that may be required by you in connection with this request. We hereby authorize you to share or exchange the information available with you with any regulatory agency or any other authority as you may deem fit. You, your representatives, representatives of the RBI or any other agency as authorised by you, may, at any time, inspect/verify my/our assets, books of accounts etc., in our factory/business premises. We shall assist you in the inspection or verification of the Invoices or transactions contemplated under this Facility, with any other person concerned with the said Invoices.
4. Invoice financing / discounting request is provided against genuine purchases made by us from various Vendors and are due to be paid to them on dates mentioned in the table above.
5. No other form of finance is availed by us or will be availed by us against the underlying Invoices. The Invoices submitted herewith have not been discounted/ encumbered by us with you or with any other bank and the invoice has not been drawn pursuant to LCs opened on behalf of parties related to me/us by any bank.
6. Availing this Facility and entering into the contemplated transaction is not and shall not be in contradiction to or violation of any contract, law, regulation or order.
7. The contract with the Vendor in relation to the said Invoices has been entered into on arms' length basis and the Vendor is not our related party as per applicable laws.
8. Goods/Services mentioned in the underlying Invoices have been received by us in good order and good condition and there are no disputes in relation to the said goods and Invoices. We are liable to make payment towards recovery of the proceeds paid to the Vendors in relation to the said Invoices, irrespective of any disputes, which may arise later.
9. I/We undertake to indemnify your Bank in the event of any loss suffered by your Bank on account of financing/ discounting of the invoice by your Bank.

10. Bank shall not be liable for any non-compliance of any applicable rules and regulations by us in connection with the said Facility, Invoices and transactions and the same shall not affect our liability to pay you the proceeds paid to the Vendors under the Facility.

I/We further declare that the undersigned has/have the authority to give this declaration and undertaking on behalf of the firm/company.

Yours faithfully,

For Name of Indian Company

Authorized Signatory.

Documents Enclosed (Tick as appropriate)

- Invoice Copy;
- Underlying Transport documents.
- Multiple invoice details as per annexure
- Any other documents

A. ECB Documents Checklist for loan borrowed from Direct Equity holder.

Sr. No.	Documents	Please Tick (If Applicable)
1.	Request letter as per Bank format	<input type="checkbox"/>
2.	FORM ECB Duly signed by Authorised Signatory & Chartered Accountant/Chartered Secretary	<input type="checkbox"/>
3.	Loan agreement/ non-convertible debentures/ Bonds (between borrower and lender)	<input type="checkbox"/>
4.	Self-certified Average Maturity Calculation	<input type="checkbox"/>
5.	Proof of earlier FDI – FCGPR/ FCTRS approved letter or email by RBI/ AD bank	<input type="checkbox"/>
6.	ECB Liability – Equity ratio declaration (However, this ratio will not be applicable if the outstanding amount of all ECB, including the proposed one, is up to USD 5 million or its equivalent.)	<input type="checkbox"/>
	Note: Besides the paid-up capital, free reserves (including the share premium received in foreign currency) as per the latest audited balance sheet shall be reckoned for the purpose of calculating the 'equity' of the foreign equity holder in the term ECB liability-equity ratio. Where there are more than one foreign equity holder in the borrowing company, the portion of the share premium in foreign currency brought in by the lender(s) concerned shall only be considered for calculating the ECB liability-equity ratio for reckoning quantum of permissible ECB.	<input type="checkbox"/>
7.	Self-Certified Drawdown and Repayment schedule	<input type="checkbox"/>
8.	Certified Copy of the duly signed Board Resolution for availing the ECB	<input type="checkbox"/>
9.	Any other documents, if applicable <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>

B. ECB Documents Checklist for loan borrowed from Indirect Equity holder.

Sr. No.	Documents	Please Tick (If Applicable)
1.	Request letter as per Bank format	<input type="checkbox"/>
2.	FORM ECB, duly signed by Authorised Signatory & Chartered Accountant/Chartered Secretary	<input type="checkbox"/>
3.	Loan agreement/ non-convertible debentures/ Bonds (between borrower and lender)	<input type="checkbox"/>
4.	Self-certified Average Maturity Calculation	<input type="checkbox"/>
5.	Proof of earlier FDI – FCGPR/ FCTRS approved letter or email by RBI/ AD bank evidencing indirect equity holder with minimum indirect equity holding of 51%, or group company with common overseas parent. <i>"Group company" means two or more enterprises which, directly or indirectly, are in a position to (i) exercise twenty-six per cent, or more of voting rights in other enterprise; or (ii) appoint more than fifty per cent of members of Board of Directors in the other Enterprises.</i>	
6.	ECB Liability – Equity ratio declaration (However, this ratio will not be applicable if the outstanding amount of all ECB, including the proposed one, is up to USD 5 million or its equivalent.) Note: Refer Para 1.7 Master Direction - External Commercial Borrowings, Trade Credits and Structured Obligations (Updated as on December 22, 2023)	
7.	Self-Certified Drawdown and Repayment schedule	<input type="checkbox"/>
8.	Certified Copy of the duly signed Board Resolution for availing the ECB	<input type="checkbox"/>
9.	Any other documents, if applicable <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

C. ECB Documents Checklist for loan borrowed from non-equity holder

Sr. No.	Documents
1.	<input type="checkbox"/> Request letter (Proposal, End use declaration, also Includes background of the borrower)
2.	<input type="checkbox"/> FORM ECB Duly signed by Authorised Signatory & Chartered Accountant/Chartered Secretary
3.	<input type="checkbox"/> Loan agreement/ non-convertible debentures/ Bonds (between borrower and lender)
4.	<input type="checkbox"/> Self-Certified copy of Average Maturity Calculation
5.	<input type="checkbox"/> <i>Self-Certified copy Drawdown and Repayment schedule</i>
6.	<input type="checkbox"/> Certified Copy of the duly signed Board Resolution for availing the ECB
7.	Any other documents, if applicable <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>