

Assured payment to the seller & credit to the buyer

Inland Letter of Credit (LC) is an undertaking issued by an issuing bank, on behalf of the buyer (applicant) to the seller (beneficiary) through the advising bank to pay for goods and services provided by the seller upon presentation of documents which comply with the terms and conditions of the Letter of Credit.

Features:

- Enables you to quickly purchase goods and services by negotiating viable terms with your domestic suppliers
- Expert advice from our experienced team
- Tailored solutions and competitive pricing

How it works:

- The buyer and seller enter into a contract and agree that payment will be made basis Letter of Credit (LC).
- The buyer approaches issuing Bank to issue LC in favour of seller.
- Issuing Bank issues LC which is advised through its branch or correspondent bank (advising bank).
- The advising bank advises LC to the seller.
- Upon receipt of LC, the seller prepares shipment and delivers documents to the presenting bank (which could also be your advising bank).
- The presenting bank dispatches documents to issuing Bank for payment.
- Issuing Bank pays or accepts to pay to the presenting bank upon verifying that the documents are in order as per terms and conditions of the LC.
- Upon receipt of payment, the presenting bank pays the seller.
- Issuing Bank forwards the documents to the buyer, who can now use them to obtain the goods.

Advantages:

- Helps you facilitate purchase of goods and negotiate for better terms with the seller.
- Faster processing of LC.
- Quick and convenient LC issuance process.
- Can be availed against sanctioned credit limits or fixed deposit.

Note:

- The Bank may ask for other information, if required, to process the transaction.
- Please note, requisite charges may apply as per Bank's schedule of charges.
- Please contact any of our branches for further details.

Disclaimer:

Product offering is subject to certain eligibility criteria as per Bank's internal policy and is subject to Bank's discretion.