

**TERMS AND CONDITIONS FOR AGREEMENT FOR SALE BY VSP FOR EXPORTS OF
IRON AND STEEL PRODUCTS ON EXW BASIS**

1. Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant, a Company incorporated in India under the Companies Act, 1956 having its registered office at Administrative Building, Visakhapatnam Steel Plant, Visakhapatnam 530 031 hereinafter referred to as SELLER (which term or expression unless excluded by or repugnant to the context shall include its successor and permitted assignee) is the SELLER.
 - 1.1 The SELLER is an independent legal entity with power and authority to enter into contracts solely in its own behalf under applicable laws of India and general principles of contract Laws. Government of India is not a party to any agreement as per these terms and conditions and is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of any agreement as per these terms and conditions and the BUYER shall waive, release and forego any and all actions for claims including loss claims, impleads claims or counter claims against Government of India arising out of this contract and shall not sue the Government of India as to any manner, cause of action or thing whatsoever arising of or under this agreement.
2. The Person/Company/Firm identified as BUYER in the agreement including his/its successor/permitted assignee shall be hereinafter referred to as BUYER.
 - 2.1 The obligations in the agreement are between BUYER and SELLER and unless otherwise agreed any BUYER's representative in India is not liable or obliged by/to SELLER under any agreement as per these terms and conditions except that any communication to/from such representative shall be deemed to be to/from BUYER.
3. **PRICE BASIS :**
 - 3.1 Unless otherwise agreed, price of the material shall be free on truck Ex-Visakhapatnam Steel Plant, Visakhapatnam, India.
 - 3.2 The BUYER shall arrange at his own cost and expense to provide materials including dunnaging required for loading and securing of the material on the trucks/trailors nominated by BUYER and accepted by SELLER for delivery as per clause 5, herein below. Labour charges involved in the work of loading of the materials shall be borne by SELLER.
 - 3.3 SELLER shall under no circumstances be liable for any costs / charges / liabilities/insurance/freight/taxes or duties/levies/fees whatsoever nature, including by reason of importation of the material in the country of import, arising subsequent to the delivery of the materials as per the agreement on the basis of EXW.
4. **MATERIAL & QUANTITY :**
 - 4.1 Subject to these terms and conditions (and expressly agreed deviations/deletions / additions if any), the SELLER is obliged to sell material of technical specifications as agreed and the BUYER is obliged to buy the same.
 - 4.2 Size-wise and specification wise break-up shall be as agreed. Unless otherwise agreed, SELLER has a right to sell/dispatch the material as per agreement with quantity variance of +/-10% on total quantity with +/-10% for each size and specification at SELLER's option with packing and marking as usually done by SELLER. Unless otherwise agreed, SELLER shall invoice on the basis of actual net weight. The weight (quantity) determined by the SELLER's weighbridge is final and no shortage claims will be entertained.
5. **DELIVERY:**
 - 5.1 The SELLER shall deliver the materials free on trucks/trailors nominated by BUYER and accepted by the SELLER at Visakhapatnam Steel Plant, Visakhapatnam, India. Unless financial arrangement is made by the BUYER as per clause 6 below or otherwise as agreed by SELLER, the SELLER is not obliged to confirm delivery.
6. **TERMS OF PAYMENT:**
 - 6.1 Unless agreed otherwise, financial arrangements shall be made within 7 days of acceptance of offer by the SELLER in USD by the BUYER in favour of SELLER by means of confirmed irrevocable without recourse to the drawer's Letter of Credit (LC), governed by Uniform Customs and Practices for Documentary Credits (as applicable on date of opening of LC conforming to SELLER's standard format), representing the value of the contract quantity of the materials with positive tolerance, on the basis of EXW, established through any first class International Bank in favour of Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant, Visakhapatnam, India. The LC should be advised through

EITHER**State Bank of India**

Steel Project Branch,
Branch Code No.6318
TLX No.0495518SWAT IN
SWIFT:SBININBBA145

OR

State Bank of India
Commercial Branch
Visakhapatnam
IFSC: SBIN0014407
[Tel:0891-2555553](tel:0891-2555553)
Swift code - SBININBB745

As per the negotiating documents negotiable at the counters of any branch or any Bank of India.

6.2 PAYMENT AGAINST LC:

6.2.1 The LC shall be available for payment of 100% of value of invoice (less if any advance is already paid by the BUYER), covering the material shipped against presentation of the SELLER drafts drawn at sight accompanied by following Bank documents.

- a) Road Consignment Note and/or Railway Receipt
- b) SELLER's Packing list
- c) SELLER's signed Commercial Invoices
- d) Copy of Bill of Export mentioning ARE1 No. or Nepal Invoice No.
- e) SELLER's Certificate of Origin

Note: ARE Quantity shall be considered for negotiation and Invoice. One copy each of the aforesaid documents shall be dispatched by Courier by the SELLER to the BUYER within 7 working days from the date of RCN date.

6.3 The LC should provide for shipment of materials with quantity tolerance as specified in clause 4 herein above or as otherwise agreed. It should be valid from date of opening upto date of shipment as per the agreement and 21 days beyond that for negotiations of documents.

6.4 All Bank and other charges incurred outside the territory of India shall be borne and paid for by the

BUYER. LC confirmation charges, if required, shall be borne and paid for by the SELLER.

6.5 The financial arrangement required to be made by the BUYER shall be deemed to be made only on receipt of LC at the bank as specified in clause 6.1 above unless agreed otherwise. In case the financial arrangement is not made by the BUYER within the agreed time, the SELLER may forfeit the Security Deposit submitted to the SELLER.

6.6 If any advance is made by the BUYER against any contract, in part or full, if the BUYER is not able to indicate size-wise break-up of the material atleast 4 weeks prior to the expiry of contractual delivery period.

i) In case of fall in prices, the SELLER is entitled to recover difference in contract price and the weighted average price realized by SELLER for the deliveries made in the last month within the contract delivery period and return the balance to the BUYER without interest.

ii) The SELLER will return the advance without interest in case the weighted average prices realized for the last month of delivery as per contract is more than the contract price.

7. RISK AND TITLE:

7.1 Except in the case of negotiation of LC as per herein above, with respect to each shipment, the risk shall pass from the SELLER to the BUYER as soon as the materials cross the Plant premises at Visakhapatnam and the title to the materials shall pass from the SELLER to the BUYER only after the SELLER has negotiated the documents and has received payment of the full invoice value of the materials shipped from the negotiating bank.

8. RIGHT OF TRANSFER:

8.1 Neither the BUYER nor the SELLER shall be entitled to assign or transfer contract resulting from this Agreement except to its successor or to the transferee of all or substantially all of its assets, and in the case of any such assignment or transfer, the contract shall be binding upon and shall insure to the benefit of such successor or transferee.

9. FORCE MAJEURE:

9.1 If the SELLER and/or the BUYER be prevented from discharging its or their obligation under this agreement

by reasons of arrests or restraints of privacy of rules, Government or people, War, Blockade, Revolution, Insurrection, Mobilisation, Strikes, Riots, Civil Commotions, Lockouts, Accidents, Acts of God, plague, or other epidemics, destruction of the materials by fire or flood or other natural calamity or on account of any other cause interfering with the production and/or delivery of the materials as herein above contemplated, the time for delivery shall be postponed by the time or time during which production and/or delivery is prevented by any such causes as herein above mentioned, provided that in the event of such delay exceeding ninety days, the party other than the party which invokes the force majeure may at their option, cancel this agreement by Notice in-writing to the other party in respect of the undelivered quantity of the materials without, however, any right against or being responsible to the other party for such cancellation. The party invoking force-majeure shall within 15 days of the occurrence of force-majeure causes, put the other party on notice supported by certificate from the Chamber of Commerce or concerned governmental authority and shall likewise intimate the cessation of such causes. If the force-majeure condition continues beyond a period of six months the SELLER or the BUYER may at his option cancel this agreement by notice in writing to other party in respect of the undelivered quantity of the materials without, however, any right against or being responsible to the other party for such cancellation.

10. LEGAL INTERPRETATION:

- 10.1 The contract of sale and purchase and these terms and conditions shall be governed and construed in accordance with the Laws of India for the time being in force. For all commercial terms and abbreviations used hereunder, which have not been otherwise defined, the rules of INCOTERMS 1953, latest revision, shall be applied.

11. SETTLEMENT OF DISPUTES:

- 11.1 All disputes of difference whatsoever between the parties hereto arising out of or relating to the construction, meaning or operation or effect of this contract or the breach thereof shall unless amicably settled between the parties hereto be settled by arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce (ICC), Paris, France, by a sole Arbitrator appointed by the Chairman of the Arbitral Tribunal of the Court of Arbitration of ICC and the Award made in pursuance thereof shall be binding on both the parties. The venue for the arbitration proceedings shall be Visakhapatnam, India.

12. JURISDICTION OF COURTS:

- 12.1 All disputes shall be subject to the jurisdiction of the competent courts of Visakhapatnam, India.

13. IMPORT / EXPORT LICENSE:

- 13.1 It shall be the responsibility of the SELLER to arrange export license, if any, required and it shall be the responsibility of the BUYER to arrange for the import license, if required, in the country into which the materials are intended to be imported.

14. MODIFICATIONS/WAIVERS:

- 14.1 No change in respect of these terms and conditions are valid unless the same is agreed to in writing by both the parties. All previous negotiations / understandings between parties are cancelled while entering into an agreement as per these terms and conditions. Failure to enforce any conditions hereunder contained shall neither be deemed as waiver of the conditions itself nor authorize any subsequent breach thereof.