



RINL/ VSP/MKTG-ITD/FOB T&C/REV Dt 02/04/2020

**RASHTRIYA ISPAT NIGAM LIMITED
VISAKHAPATNAM STEEL PLANT
MARKETING - ITD SECTION
ADMINISTRATIVE BUILDING
VISAKHAPATNAM-530031**

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**GENERAL AND SHIPPING TERMS AND CONDITIONS FOR AGREEMENT FOR
EXPORT OF IRON AND STEEL PRODUCTS ON FOB TERMS**

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 herein after called as RINL / 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 on 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 herein after 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 board (stowed), Visakhapatnam Port, Visakhapatnam, India or Gangavaram Port, Visakhapatnam, India or any other port as per RINL VSP as specified in NIT.
 - 3.2 (Applicable for steel products only): The BUYER shall arrange at his own cost and expense to provide materials including dunnaging required for stowing, dunnaging, lashing, shoring and securing of the material inside the hatches/holds of the vessel at load port to the Master of the vessel nominated by BUYER and accepted by SELLER for delivery as per clause 5, herein below. Labour charges involved in the work of dunnaging/stowing/ lashing/shoring and securing of the materials shall be borne by RINL/SELLER.
 - 3.3 RINL/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 FOBST.
 - 3.4 Marine Insurance to be covered by the BUYER.

4.0 MATERIAL & QUANTITY:

4.1 Subject to these terms and conditions (and expressly agreed deviations/ deletions/ additions if any), the RINL/SELLER is obliged to sell material of technical specifications as agreed and the BUYER is obliged to buy the same.

4.2 Applicable for Steel products only:

Size wise and specification-wise break up shall be as agreed. Unless, otherwise agreed, RINL / SELLER has a right to sell/despatch/ship the material as per agreement with quantity variance of **+ or - 5%** on total quantity with **+ or - 5%** for each size and specification at RINL/SELLER's option with packing and marking as usually done by RINL/SELLER. Unless otherwise agreed, RINL shall invoice on the basis of **Quantity/ Actual Weight**. **Quantity/ Actual Weight** and Quality shall be certified in Inspection certificate by an Independent Inspection Agency, at load port. BUYER has freedom to nominate their own agency at BUYER's cost to **jointly** carryout survey with the Independent Inspection Agency appointed by RINL, in accordance with international standards, regarding the physical condition and packaging of the cargo at the transit storage yard port on a lot-wise basis.

4.3 Applicable for Pig Iron material:

Tolerance of (+/-) 1% on contracted quantity is permissible. Weight (quantity) shall be established by draft survey at loading port by an Independent Inspection Agency, and the quantity and quality established at load port shall be final. Weight of deleterious impurities such as nonferrous dirt, dust, moisture over 0.5% (half percent) shall be deductible from the final weight. BUYER has freedom to nominate their own agency at BUYER's cost to jointly carryout out quality and quantity survey with the Independent Inspection Agency appointed by RINL, and the inspection is to be carried out in accordance with international standards applicable for Pig Iron for quality inspection and draft survey.

4.4 The cost of inspection by the independent inspection agency appointed by RINL/SELLER, shall be borne by the SELLER. The inspection certificate issued by them shall certify, inter-alia, that the materials were inspected at the loading port prior to loading and that the marking were as per requirements of the Agreement between the SELLER and the BUYER; the sizewise break-up of quantity loaded on board the vessel indicating the number of bundles/ coils (APPLICABLE FOR STEEL PRODUCTS ONLY); and, that the materials were loaded on board the vessel without apparent damage and were found to be in good order and that the materials were properly lashed and secured inside the hatches/ holds of the vessel.

5. DELIVERY/ SHIPMENT:

5.1 RINL shall deliver the Materials free in the holds of the vessel(s) nominated by BUYER and accepted by the SELLER as per these terms and conditions in one or more safe berths reachable on arrival always afloat at loading port which shall be Visakhapatnam Port (VPT), Visakhapatnam India,/Gangavaram Port (GPL), India. Unless financial arrangement is made by the BUYER as per clause 6 below or otherwise as agreed by RINL, the RINL is not obliged to confirm delivery.

5.2 The BUYER shall nominate the vessel with cancellation date of laycan falling within **15 days from the date of RINL's NOR including the laydays in the last 5 days**. The validity of the Letter of Credit for shipment and negotiation shall be extended by the Buyer, if required accordingly. Subject to acceptance by the Seller of vessel(s) nominated by the Buyer and subject to the arrival of such vessel(s) at the load port within **the above mentioned agreed lay can**, the Seller shall deliver the materials on FOB load port terms.

The vessel shall not be more than **20 years old** and the BUYER shall take into account limitations of the Visakhapatnam Port Trust/ **Gangavaram Port Limited**.

In case of Visakhapatnam Port maximum LOA (Length Overall) of 230 mts, maximum beam length of 32.50 mts and maximum laden draught of vessel as 10.06 to 13mtrs depending on the berths.

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In case of Gangavaram Port, LOA of 240 mtrs, maximum beam length of 33 mtrs and maximum laden draught of vessels as 14.0 mts, **depending on the berths.**

- 5.2.1 In case there is a delay by the SELLER to confirm notice of readiness of materials and the BUYER had made financial arrangements as agreed, the BUYER has the option to cancel the contract or take the delivery of the material at the contract price & terms within a period of 90 days beyond the originally agreed delivery period.
- 5.3 While nominating a vessel the BUYER shall communicate the following particulars for the nomination:
- (a) Name of the Vessel – Present and Old Name
 - (b) IMO Number of the Vessel
 - (c) Year of built & Flag
 - (d) Nationality of the Ship Owner
 - (e) Classification and Type
 - (f) LOA/Beam/Draft at max DWT.
 - (g) Loadable tonnage/ nominal tonnage for delivery
 - (h) No of Decks: (single decker/TWEEN decker if TWEEN, the third deck, if any)
 - (i) No of Holds/Hatches
 - (j) Hatch Openings: Weather deck/ Tween deck
 - (k) Type of hatch covers: Weather deck/ Tween deck
 - (l) Cargo gear capacity: Cranes - single swinging Derricks-Configuration Hatchwise -Derricks working in union purchase-not acceptable
 - (m) Tank top strength, GRT and NRT
 - (n) Details of previous voyage
 - (o) Whether Centerline bulk head exists
 - (p) Whether cranes can reach the entire Hatch Square area
 - (q) Whether cargo gear register endorsed
 - (r) Whether Fork lift is required to stow cargo in Hatch coamings
 - (s) Out-reach of cranes/derricks from rail of ship.
 - (t) ETA/ laydate/cancellation date at load port
 - (u) GA Plan & P&I Club Certificate
- 5.3.1 The SELLER is entitled to following additional information if required:
- (a) Original name of vessel if changed at present
 - (b) Whether disponently owned
 - (c) Owners P & I Club
 - (d) Disponent Owners P & I Club
 - (e) Last special survey
 - (f) Last dry docking
 - (g) Position of engines
- 5.4 The vessel nominated by the BUYER shall be geared and equipped with cranes/derricks capable of lifting minimum specified tonnage at a time as below from the wharf and placing

the materials in the places of the hatches including wing spaces and having minimum four available hatches.

5.4.1 LOADING TERMS:

The vessel can be accepted by RINL on the following terms:

1. For contract Quantity less than or equal to 10000MT (+5%) for Steel or 10000MT (+1%) for Pig Iron, CQD Terms with no detention payable by RINL shall be applicable.
2. Where Contract Quantity is more than 10000MT (+5%) for Steel and /or 10000MT (+1%) for Pig Iron on
 - i) Despatch/Demurrage Terms
 - or
 - ii) CQD Terms with no detention payable by RINL.

(i) DISPATCH/DEMURRAGE TERMS AND GUARANTEED LOAD RATE:

RINL shall deliver materials free in vessels' holds in one or two safe berths reachable on arrival always afloat at ports of loading.

RINL shall guarantee a load rate of 3000MT for all steel products and 5000MT for Pig Iron per weather working day of 24 consecutive hours Saturday afternoon, Sundays, holidays and non-weather working days excepted even if used (PWWDSASHEXEIU) subject to the terms and conditions on the basis of five or more available workable hatches/hooks, pro-rata if less. RINL is not obliged to accept vessels with gear capacities, less than what is specified below or vessels offering less than three hooks. If due to any reason, a vessel is accepted with lower gear capacity or lesser number of hatches/hooks, the load rate shall be reduced pro-rata. The rate of demurrage/despatch shall be as mentioned in the below table:

In case any / all vessel gears are not suitable for loading the cargo, due to any reason and in case buyer provides shore crane berths and shore cranes at his cost the same will be considered as gear for the purpose of laytime calculations. In such an event waiting time for getting shore crane berth shall be excluded from time used.

In case any hatch is doubled up, it shall be considered as double hatch only when two cranes that are capable of being worked by two gangs simultaneously are made available for not less than 75% of loading time of that hatch.

Product	Nominated Quantity for delivery(MT) with tolerance	Gear Capacity MT (MIN)	Demurrage/ Despatch USD per day
Pig Iron	10000 +1% or below	20	NIL / NIL CQD
Pig Iron	>10100-20200	20	4000-2000
Pig Iron	>20200	25	6000/3000
Steel	10500 or below	15	NIL / NIL CQD
Steel	>10500-21000	20	5000 / 2500
Steel	>21000	20	6000 / 3000

In case buyer nominates vessel with Derricks, the minimum gear capacity should be 25 MT else buyer has to provide shore crane berths with gear capacities as above.

NOTE: Union Purchase Type Gear is not acceptable. The loading shall be on CQD basis for cases of NIL demurrage/despatch. It is preferable to have Tween decker for wire rods and single decker for pig iron. Stacking below wing space will be three high for wire rods, above which the coils will be rolled on plates below the wing space and drop stowed in the hatch openings. Tank tops should be able to support forklift along with materials for loading steel cargo. Tank top strength should be 10T/M² in respect of 3T forklift for 3 high stacking and 16T/M² for 10T forklift for 4 high stacking. All cargo except WRC will be drop stowed in the hatch opening within the reach of vessel cranes only.

If one or more parties nominate a vessel for lifting part quantity of the material in different sale contracts, the demurrage/dispatch amount shall be calculated as per the rates applicable for the total quantity loaded in the vessel by all parties/contracts concerned and the demurrage/dispatch amount so arrived shall be payable on pro-rata basis as per the quantities lifted by the respective individual parties /in different sale contracts.

In case party nominates part vessels for steel consignment, the despatch / demurrage calculations will be made based on per working per hatch per day or per workable hatch per day basis as given below:

"PER WORKING HATCH PER DAY" or "PER WORKABLE HATCH PER DAY" - means that laytime is to be calculated by dividing the "quantity of cargo in the hold with the largest quantity" by the result of multiplying the agreed daily rate per working or workable hatch by the number of hatches serving that hold. Thus :

$$\text{Laytime} = \frac{\text{Largest Quantity in one hold}}{\text{Daily Rate per Hatch X Number of Hatches serving that hold}} = \text{days}$$

Laytime used shall be corresponding to the hold in which largest quantity is loaded with allowable exceptions as per our standard terms and conditions. The time spent for loading cargo in all other holds will not count as laytime.

(ii) CQD TERMS

RINL shall accept vessel on CQD terms subject to confirmation of BUYER to pay USD 1.5 per MT over and above the price confirmed on FOB ST. with DESPATCH / DEMURRAGE LOAD TERMS. In such case, Dispatch/Demurrage will not be applicable and no detention will be payable by RINL

5.5 The SELLER shall communicate acceptance/non-acceptance within next working day and with reasons in case of non-acceptance. However, the SELLER is not obliged to consider any nomination of the vessel unless financial arrangement is made by the BUYER as agreed.

5.6 Upon arrival of the vessel within the limits of the loading port and after

(A) ensuring that the hatches/holds of the vessel have been thoroughly cleaned,

(B) obtaining free pretique and

(C) ensuring that the vessel is load-ready in all respects, ***including filing of necessary papers with Port/Customs Authorities by the vessel agent.*** the Master of the vessel shall serve the Notice of readiness of the vessel to load the Materials (i.e. Master's NOR) on the port office of the SELLER/***Seller's Stevedoring Agent*** at the loading port, during normal office hours which are 9.30 AM to 4.30 PM from Monday to Saturday. The master's NOR shall not be served on Sundays/ Port holidays/ Charter Party holidays/Non – weather working days.

5.7 Upon arrival of the vessel within the limits of the loading port or at any time later till completion of loading, if the SELLER or the load port authorities consider that the cranes/ gears of the vessel are not capable of lifting the materials of the weights and dimensions as agreed, from the wharf and placing the material inside the hatches as required for loading, the SELLER has a right to reject the vessel outright without any liability including dead freight and all other consequences/losses arising thereof. In case it is considered that the gears are not capable of maintaining the loading rate guaranteed, the SELLER has a right for assessment by an independent marine surveyor to determine such load rate and the same shall be binding on the BUYER. In case the surveyors find the gears not capable of loading from wharf to any part of the hatches, nomination/acceptance stands cancelled with no risks/ costs to the SELLER and the charges of the independent marine surveyor shall be borne by BUYER.

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- 5.8 The BUYER shall ensure that the charter party governing the shipment shall, inter-alia, include following provisions:
- 5.8.1 The ship owners shall appoint their own agents at load port.
- 5.8.2 The ship owners shall bear all ports dues/charges/levies except port loading charges, tonnage dues, light dues and other taxes, assessments and charges which are customarily payable by shippers.
- 5.8.3 Three days prior to ETA of vessel at load port, the master of the vessel shall give telex/cable/fax/email intimation to the SELLER.
- 5.8.4 Thereafter at the interval of 48 hrs/24 hrs before the ETA of the vessel, master of the vessel shall send telex/cable/radio/email messages regarding the ETA of the vessel to the SELLER and as well as to the Port office of the SELLER / SELLERS stevedoring agent at load port.
- 5.8.5 Each vessel shall hold a valid gear certificate in conformity with the International Dock Safety Convention, covering the duration of each voyage and confirming that all the gears have been duly tested. The gear certificate shall be made available by the Master of the vessel to the representative of the SELLER for verification before/on berthing of the vessel at the loading port, in any case prior to commencement of loading. Similarly, the hatchwise loading plan for the Materials shall be furnished by the Master of the vessel before/on its berthing.
- 5.8.6 The Master of the vessel shall allow on board the vessel, the representative of the independent inspection agency appointed by the SELLER and provide such information/ assistance as may be required by such agency in connection with the performance of their assigned duties.
- 5.8.7 The Master of the vessel shall provide free use of light on board the vessel as may be required for working the vessel at the loading port at all times and in each case free of expense to the SELLER. The master of the vessel shall make available all the hatches for loading of the materials throughout the period the vessel is worked for loading of the materials except in such hatches where the materials have been completely loaded.
- 5.8.8 Laytime and excepted period:
- 5.8.8.1 Laytime shall commence at 1300 Hrs if Master's NOR is served in the forenoon and at 0800 Hrs of the next working day if the Master's NOR is served in the afternoon.
- However, in case of Red Clause invocation, it will be the buyer's responsibility to arrange for berthing of the vessel and Laytime shall commence after vessel is berthed, gangway is placed and hatch inspection, if required , is over.
- If a vessel comes beyond the agreed Laycan, the responsibility of berthing of the vessel will be to the buyer's account and Laytime shall commence after vessel is berthed, gangway is placed and hatch inspection, if required , is over.
- If a vessel calls on before the Laycan and tenders NOR, but does not get a berth to load, then NOR to be accepted from 9.30AM of the first day of the Laycan period.
- 5.8.8.2 Time between noon on Saturday and 0800 Hrs on Monday and/or between noon on the last working day preceding a legal holiday and/or Port holidays/Charterparty holidays and 0800 Hrs in the next working day shall not count as laytime even if used, unless the vessel is on demurrage.
- 5.8.8.3 After berthing, if the port authorities or representative of the SELLER find that the vessel is not ready in all respects to load, the laytime will not commence until the vessel is in fact ready in all respects to load. The time used by the vessel in proceeding from the anchorage to the berth shall not count as laytime unless the vessel is on demurrage.
- 5.8.8.4 In the event of breakdown of vessel gear or other equipment of the vessel by reason such as insufficient power etc., not attributable to shipper, the period of such break down shall not count as laytime.

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5.8.8.5(i) Time lost due to any of the following reasons shall not count as laytime unless the vessel is on demurrage:

Non weather working days declared by the port authorities even if the vessel is worked.

- War, Rebellion, Tumult, Political disturbances, Insurrection.
- Lockout, Strikes, Riots, Civil commotions.
- Epidemics, Quarantine, Land-slips, Floods, Frost or Snow, Boretides, Bad Weather.
- Stoppage of work, whether partial or general by workmen/long shoremen/ tug-boatmen or other hands essential to the working of the vessel or loading of the materials into the vessel.
- Accidents at Wharf.
- Intervention of security, customs and/or other constituted authorities.
- Stoppage, whether partial or total, due to any other causes beyond the control of the SELLER.

(ii) Time lost due to any of the following reasons shall not count as laytime

- ***Improper / late filing of required papers with Port/Customs authorities by the vessel agent resulting in delays.***
- ***Exercising the choice of a specific berth by the vessel owner/agent/Master or Buyer for reasons other than the technical limitations of the Port and the resultant delays***

5.8.8.6 The opening and the closing of the hatches of the vessel shall always be done by the vessel's crew and the cost and time involved therein shall be to the account of the vessel.

5.8.8.7 The time lost due to shifting of the vessel within the port limits shall not count as laytime. However, if the shifting is required by the SELLER, the shifting charges shall be to the account of the SELLER and time lost in shifting shall count as laytime.

5.8.8.8 The overtime of the crew and officers shall be to the account of the vessel.

5.8.8.9 Laytime ends with the completion of loading without any further reference to the subsequent activities like lashing, shoring and completion of Customs/Port formalities, etc.

5.8.9 If any damage is caused to the vessel at the loading port at the time of loading of the Materials by the Stevedores engaged by the SELLER, the claim, if any, for such damage shall be settled directly between the ship owners and stevedores. The Master of the vessel shall lodge such claim, if any, on the stevedores, promptly after the damage has been sustained and then confirm in writing duly supported by the Third Party Damage Reports, prior to the departure of the vessel from the loading port, failing which the claim shall stand barred and the stevedores shall stand absolved and relieved of all responsibility. Subject to compliance with the conditions enumerated in the clause, in case the stevedores failed to settle the same, the SELLER shall be responsible for settlement of such claims.

5.8.10 Statement of Facts : Immediately after completion of loading of the materials into vessel and before the sailing of the vessel from the loading Port(s) a statement of facts shall be made out by the vessel's agent at the loading Port (s) duly signed by and distributed amongst : (a) Master of the vessel /Agent of the vessel at the loading port (b) Agents/Representative(s), if any of the BUYER at the loading port and (c) representative of the SELLER at the loading port.

5.8.11 The Master of the vessel shall deliver a stowage plan in triplicate duly signed by him before loading and immediately after completion of loading and sailing of the vessel, if sought by the SELLER.

5.8.12 The ship owners shall instruct their Agents at the loading port to issue the Bill(s) of Lading with marking as per LC (see 6.2.1(a)) to the representative of the SELLER, immediately but within one day from the date of completion of loading of the materials into the vessel.

5.9 Freight enquiries shall be notified in advance to:

Ministry of Surface Transport
Chartering wing (Transchart)
Transport Bhavan, Sansad Marg
NEW DELHI 110 001 (INDIA)
TELEX: 031-61147, 61158, 61159 VAHAN ND

while nominating a vessel and preference is to be given to Indian flag vessels.

6. TERMS OF PAYMENT :

6.1 Unless agreed otherwise, financial arrangements shall be made within 5 banking days from the date of sale confirmation by RINL or before nomination of the vessel whichever is earlier, in USD by the BUYER in favour of SELLER by means

- i) 100% advance payment
- ii) Payable at Sight LC
- iii) Usance Payable at Sight LC (UPAS LC)

The letter of credit to be submitted shall be Confirmed irrevocable without recourse to the drawer's, 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 FOB ST, 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

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

The seller may also intimate any other bank as LC advising bank before opening of the LC of the buyer as per the negotiating documents negotiable at the counters of any branch or any bank of India.

The formats of the letters of Credit are attached at Annexures 1A, 1B.

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 shipment & Bank documents (and also against Clause No.6.8 herein below).

In case of UPAS LC even though the tenor of the LC is ____ days from the date of Bills of lading the beneficiary will be paid at sight by the reimbursing bank.

- a) 3/3 original on board Ocean or Charter Party Bill (s) of Lading.
- b) SELLER's Packing list
- c) SELLER's signed Commercial Invoices
- d) Works Test Certificate(s) issued by the SELLER

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e) Pre-shipment Inspection certificate - issued by the Independent Inspection Agency appointed by the SELLER.

Note: One copy each of the aforesaid documents shall be sent by e-mail / despatched by Courier by the SELLER to the BUYER within 7 working days from the date of Bill of Lading.

6.2.2 The LC shall also be available for payment against 100% of Invoice value as per clause No.6.8 herein below.

6.2.3 In case the LC opening bank does not pay the due amount as per the LC within specified time in the LC to the beneficiary's bank in India, the BUYER shall be liable to the SELLER for payment of interest charged by the negotiating bank for the delay in such remittances.

6.3 The LC shall specifically provide that Bill(s) of Lading and Pre-shipment Inspection Certificate with remarks such as:

some ties broken/missing,
atmospheric/surface/superficial rust/edge rust
unprotected cargo,
stored in open area prior to loading,
rust stained/partly rust stained

shall be acceptable for negotiation.

6.4 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 upto actual date of completion of shipment in the vessel nominated by BUYER and 21 days beyond that for negotiations of documents.

6.5 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.

6.6 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 EMD and SD if any with the SELLER.

6.7 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 breakup of the material at least 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 and EMD 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.

6.8 In the event of

- (A) the failure of the BUYER to nominate suitable vessel for shipment within 15 days including the lay days from the date of Notice of Rediness

or

- (B) the vessel nominated by the BUYER and accepted by the RINL/SELLER failing to arrive at the designated load port within 15 days including the lay days from the date of Sellers' Notice of Rediness of Cargo for reasons other than force majeure as defined under clause No.10 herein below,

or

- (C) the vessel (nominated by the BUYER and accepted by the RINL/SELLER) being found unsuitable after its arrival at designated load port as certified by independent marine surveyors,

RINL shall have the option to claim/negotiate against his commercial invoice as per the LC opened by the BUYER and realize 100% of the value of the Commercial Invoice on the basis of certificate issued by the Independent Inspection Agency appointed by the SELLER/RINL, certifying the quantity of the materials ready for shipment and also certifying that the materials are in good condition. On receipt of the Commercial Invoice amount the material will thereafter be held in the custody of the RINL at the risk and responsibility of the BUYER at the load port, subject to DELAY CHARGES as below:

i	<i>For the first 30 days from the date of Notice of Readiness for cargo issued by the seller</i>	<i>NIL</i>
ii	<i>For period beyond 30 days</i>	<i>@ USD 1 PMT per week or part thereof for the unshipped quantity.</i>

(Delay to be counted upto the date of acceptance of Vessel's NOR by RINL after it calls at the Load port)

The buyer shall ensure that payment towards Delay Charges amount is remitted and remittance instruction duly forwarded by swift message before placement of Vessel. The vessel shall be accepted for loading after receipt of the delay charges. Time lost due to delay in acceptance of the vessel for loading arising out of delay in remittance will be to the account of the buyer.

7. **SETTLEMENT OF DEMURRAGE/DESPATCH MONEY IN RESPECT OF EACH SHIPMENT:**

Based on the Statement of Facts, the computation of laytime allowed and laytime used shall be based on provisions contained in clause 5 and its sub clauses herein above. Despatch money, if any, calculated on the basis of "Working time Saved" shall be arranged to be remitted by the BUYER to the SELLER within sixty days from the date of receipt of the claim of the SELLER with lay time statements.

EMD shall be released after receiving remittance in full towards pending despatch amounts due, if any. In case of demurrage, the agreed amount shall be adjusted by the SELLER against the despatch money pending from the BUYER if any. If not, the SELLER shall endeavour to remit the agreed amount of demurrage within sixty days from the date of receipt of claim from BUYER with supporting documents.

8. **RISK AND TITLE:**

Except in the case of negotiation under LC as per clause No.6.8 herein above, with respect to each shipment, the risk shall pass from the SELLER to the BUYER as soon as the materials cross the ship's rails at the port of loading and the title to the materials shall pass from the

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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.

9. RIGHT OF TRANSFER:

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.

- 10. FORCE MAJEURE:** 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, Mobilization, 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.

11. LEGAL INTERPRETATION:

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 1990, latest revision, shall be applied.

12. SETTLEMENT OF DISPUTES:

All disputes or differences 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 Arbitration of the Indian Council of Arbitration (ICA), New Delhi, India by a sole Arbitrator appointed by the Arbitration Committee of the Indian Council of Arbitration, New Delhi, India and the Award made in pursuance thereof shall be binding on both the parties. The seat and venue for the arbitration proceedings shall be Visakhapatnam, India.

13. JURISDICTION OF COURTS:

All disputes shall be subject to the jurisdiction of the competent Courts of Visakhapatnam, India.

14. IMPORT/EXPORT LICENSE:

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.

15. MODIFICATIONS/WAIVERS:

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.