

**RASHTRIYA ISPAT NIGAM LIMITED  
VISAKHAPATNAM STEEL PLANT  
MARKETING DEPARTMENT  
ITD SECTION  
ADMINISTRATIVE BUILDING  
VISAKHAPATNAM-530031  
E-mail: [rinlexp@vizagsteel.com](mailto:rinlexp@vizagsteel.com)  
Website: [www.vizagsteel.com](http://www.vizagsteel.com)**

**SUB: GENERAL TERMS & CONDITIONS OF E-TENDER FOR EXPORT SALE OF STEEL PRODUCTS TO NEPAL**

- 1.0 Material Specifications like Grade, Size, Quantity, Delivery Schedule, Tender Submission and Terms & Conditions, etc will be given in the E-Tender Notice/NIT, whenever floated.
- 2.0 **DELIVERY:**
  - 2.1 **DELIVERY BASIS:** Ex-Plant, Visakhapatnam.
  - 2.2 **WEIGHMENT & TEST CERTIFICATE:** Weight certified at Ex-Plant, Visakhapatnam by VSP shall be final. Test Certificate issued by RINL/VSP shall be final.
- 3.0 **PAYMENT:** By confirmed, On Sight, Irrevocable without recourse to the Drawer **LETTER OF CREDIT** opened at a FIRST CLASS INTERNATIONAL BANK as per the format of VSP mentioned in *Clause 6.2 of the Standard Terms and Conditions for Agreement for Sale by VSP for Exports of Iron and Steel Products on Ex-Works (EXW) Basis to Nepal Vide Ref No: VSP/EXPT/EXW-T&C DT. XX/XX/XXXX*. LC shall be opened within 7 (SEVEN) International Banking Days, as per our Terms and Conditions, **from the date of acceptance of E-TENDER/Issuance of Contract.**
- 4.0 **DISTRIBUTION OF TENDERED QUANTITY :**
  - 4.1 Applicable rates will be the rates obtained after negotiations with H-1 BIDDER **only**.
  - 4.2 Material will be **FIRST** allocated to H-1 BIDDER as per their Quoted Quantity. Balance Tendered Quantity beyond the Quantity quoted by H-1 BIDDER will be offered to H-2, H-3 ..... Customers (Limited to their respective **QUOTED** quantities) in respective rankings at the H-1 Rate settled with the H-1 BIDDER.
  - 4.3 Remaining Tender Quantity if any will be redistributed only among the bidders as per their respective rankings, *i.e.* H-1, H-2, H-3 and so on, at the H-1 Rate settled with the H-1 BIDDER.
- 5.0 **SUBMISSION OF SECURITY DEPOSIT (SD) / EARNEST MONEY DEPOSIT (EMD) SHALL BE AS FOLLOWS:**
  - 5.1 The **BIDDERS / CUSTOMERS / BUYERS** shall choose from ANYONE of the **OPTIONS** below:
    - 5.1.1. **OPTION-1 (SD):** To submit SD of INR FIVE LAKHS in the form of **DEMAND DRAFT (DD), BANK GUARANTEE (BG), TELEGRAPHIC TRANSFER (TT) Remittance, or by Adjustment of Credit Balances** available with RINL/VSP. SD can be submitted any time during a Financial Year, for a minimum period of **ONE YEAR** from the date of submission of Security deposit. In case SD is submitted in the form of BG, it shall be valid for a minimum period of 12 months (One year) from the date of BG. This SD BG will be valid, if not Forfeited, for participation in all future Tenders / E-Tenders floated for Nepal Exports by RINL, subject to BG having minimum 3 MONTHS validity from Tender Opening Date (TOD).
    - 5.1.2. **OPTION-2:** To submit EMD of INR FIVE LAKHS against each E-Tender in the form of **BG/DD/TT**, which will be converted into SD in case of Successful Bidder/s. EMD has to be submitted at least one (01) international banking day before the Tender opening date. In case EMD is submitted in the form of BG, it shall be valid for a period of 3 (Three) months from the Tender Opening Date (TOD). In case of Unsuccessful Bidder/s, the EMD will be returned within 15 days of finalization of **TENDER/E-TENDER**.
  - 5.2 **EMD & SD amounts deposited will not carry any Interest.**

**5.3 MODE OF SUBMISSION OF SECURITY DEPOSIT/EARNEST MONEY DEPOSIT:**

5.3.1. **Payment of SD/EMD by DD:** In case of DD, the DRAFT shall be issued in the name of 'RASHTRIYA ISPAT NIGAM LTD', payable at VISAKHAPATNAM.

5.3.2. **Submission of SD/EMD in the form of BG:** Where the SECURITY DEPOSIT/EARNEST MONEY DEPOSIT is submitted in the form of BG, the same shall either be issued directly by any Nationalized/Scheduled Bank having branch in Visakhapatnam OR shall be on the ADVICE of a Foreign Bank as its Correspondent in INDIA. In case if the BG is issued by any Scheduled Bank located outside VISAKHAPATNAM, it shall provide for payment in case of a claim, through its branch located at VISAKHAPATNAM. SBI COMMERCIAL BRANCH, VISAKHAPATNAM (SWIFT CODE: SBININBB745; IFSC CODE: SBIN0014407) shall be the NODAL BRANCH of SBI at VISAKHAPATNAM, for issuing BANK GUARANTEES on behalf of FOREIGN BANKS in case SD/EMD is submitted in the form of BG.

The BG Formats for OPTIONS 1 & 2 as per Para 5.1 shall be as under:

- A) The Format for OPTION-1 as per Clause no. 5.1.1 will be as per Annexure-1 with initial validity upto **minimum 1 (ONE) Year from BG Date.**
- B) The Format for OPTION-2 as per Clause no. 5.1.2 will be as per Annexure-2 with initial validity upto **3(THREE) Months from TOD.**

5.3.3. **Payment of SD/EMD by TT:** If the payment for SD/EMD is by TT, Remittance is to be made to "STATE BANK OF INDIA "as per the following details:

<b>FOR CREDIT OF</b>	STATE BANK OF INDIA COMMERCIAL BRANCH, 1 <sup>ST</sup> FLOOR, BALAJI METRO, D.NO. 43-29-54/B, NARONA ROAD, CHAMBERS, DONDAPARTHY, VISAKHAPATNAM- 530016, AP,INDIA SWIFT CODE : SBININBB745 IFSC CODE : SBIN0014407 MICR CODE : 530002059 TEL NO.0891 2555587 / 86	STATE BANK OF INDIA, STEEL PLANT BRANCH, VISAKHAPATNAM -530031  SWIFT CODE: SBININBB145 IFSC CODE: SBIN0006318
<b>BENEFICIARY</b>	A/C NO: 31563188242 RASHTRIYA ISPAT NIGAM LTD. VISAKHAPATNAM STEEL PLANT VISAKHAPATNAM	A/C NO:10756187110 RASHTRIYA ISPAT NIGAM LTD. VISAKHAPATNAM STEEL PLANT VISAKHAPATNAM
		A/C NO. 52048996973, RASHTRIYA ISPAT NIGAM LTD. VISAKHAPATNAM STEEL PLANT VISAKHAPATNAM

5.3.4. **Adjustment of Credit Balance:**

- (a) **SD:** Credit Balances available with RINL/VSP can be considered towards payment of SD on requests from the respective BIDDERS, subject to availability of Clear Balance & confirmation by RINL. Option for Adjustment of Credit Balance lying with RINL/VSP will be available to only those customers/bidders/buyers, who have opted for SD as per option-1 at Clause 5.1.1 above.
- (b) **EMD:** Credit balances available with RINL/VSP cannot be considered towards EMD.

5.3.5. **SD/EMD will not be accepted in the form of CHEQUES.**

5.3.6. **CURRENCY OF SD/EMD:** INDIAN RUPEES (INR).

5.4 SD (Including EMD converted into SD) of the Successful BIDDER shall be retained against the Contract and shall be released on request of the concerned customer/buyer, after closure of the Contract and receiving Remittance in full towards Pending Claims on account of :

- 5.4.1. Short-Realizations payable if any, on account of Realization of Letter of Credit Claims.
- 5.4.2. Interest Charges charged by the Negotiating Bank if any, for the delay in Realization of Letter of Credit Claims within 15 Days from the Date of Lodging of Claim.
- 5.4.3. In case the SECURITY DESPOSIT/EARNEST MONEY DEPOSIT is submitted by BG, the BIDDER shall ensure extending the BG accordingly.
- 5.5 **DEBARRING AND FORFEITURE/ ENCASHMENT OF SECURITY DEPOSIT (SD)/EARNEST MONEY DEPOSIT(EMD):**The BIDDER/SUCCESSFUL BIDDER (Including JOINT BIDDER if any) shall be barred from participating in the immediate next Nepal Export Tender and SD/EMD submitted by him shall be forfeited/encashed without reference, if the Bidder fails to comply with any of the following conditions:
  - 5.5.1 Fails to keep their Offer Firm and Valid for acceptance by RINL as required in the TENDER/E-TENDER terms or as extended with mutual agreement between RINL and the SUCCESSFUL TENDERER / BUYER.
  - 5.5.2 Backs out within the Desired Validity Period of the Offer as per TENDER/E-TENDER terms.
  - 5.5.3 Fails to honor the Commitment to sign the CONTRACT after Award of CONTRACT.
  - 5.5.4 Fails to establish Letter Of Credit within 7 (Seven) International Banking days from the date of acceptance of E-TENDER/Issuance of Contract.
  - 5.5.5 Fails to lift the Materials as per the CONTRACT / Mutually Agreed Terms.
  - 5.5.6 Fails to make Remittance in FULL towards PENDING CLAIMS as per Clause No. 5.4.
- 5.6 EMD and/or SD can also be forfeited because of any other reasons specified by RINL.
- 6.0 Bidders shall submit Declaration as mentioned in the FORMAT furnished at **Annexure -3** at the time of submission of TENDER.
- 7.0 **CONTRACT:** Contract will be entered into with the BIDDER and the Shipping Documents will be made only in the name of the BIDDER who opened LC.
- 8.0 In case the CONTRACT is awarded for a Specific COUNTRY/REGION, the awarded material must be taken only to the COUNTRY/REGION specified in the CONTRACT, i.e., NEPAL. If the material is diverted by the BUYER to any COUNTRY/REGION other than that specified in the CONTRACT, VSP may suspend business with the BUYER for ONE YEAR.
- 9.0 All other terms will be as per the VSP'S **Standard Terms and Conditions for Agreement for Sale by VSP for Exports of Iron and Steel Products on Ex-Works (EXW) Basis to Nepal *vide* Ref No: VSP/EXPT/EXW-T&C DT. 01/09/2018**, which are available in the web pages and can also be accessed.
- 10.0 **In case of contradiction between the Terms and Conditions of E-Tender Notice and VSP'S Standard Terms and Conditions for Agreement for Sale by VSP for Exports of Iron and Steel Products on Ex-Works (EXW) Basis to Nepal /VSP's General Terms & Conditions of E-Tender for Export Sale of Steel Products to Nepal, the provisions in the E-Tender Notice will supercede the VSP'S Standard Terms and Conditions.**
- 11.0 VSP reserves the Right to Cancel or Accept any or all Bids further in whole or in part or to Apportion the quantities in any form without assigning any reason and the decision of RINL/VSP in this regard will be Final and Binding.
- 12.0 **INTEGRITY PACT:** Interested BIDDER/S are required to unconditionally accept the "INTEGRITY PACT" enclosed to the TENDER DOCUMENT and shall submit the same duly signed along with his offer. Offer of the BIDDER received without INTEGRITY PACT Duly Signed, shall not be considered. Presently, Sri Siva Prasad Rao, Retd MD, SAIL, Sri VVR Sastry, Retd CMD, BEL and Sri PK Vijay Kumar, IRS, Retd DG, Income Tax have been appointed as External Independent Monitors (EIMs) for RINL.

**BG FOR PERMANENT SECURITY DEPOSIT (PERMANENT SD)**

**APPLICABLE PERMANENT SD SHALL BE INDIAN RUPEES 5 LAKHS.**

**(APPLICABLE TO THOSE BIDDER(S) ONLY (INCLUDING JOINT BIDDER IF ANY), WHO HAVE OPTED TO SUBMIT SD ONCE DURING A FINANCIAL YEAR AS PER OPTION-1 AT CLAUSE 5.1.1)**

**PERMANENT SD SHALL BE SUBMITTED IN THE FORM OF BG ANY TIME DURING A FINANCIAL YEAR.**

THE BANK GUARANTEE SHOULD BE STRICTLY AS PER FORMAT GIVEN BELOW THROUGH STATE BANK OF INDIA, COMMERCIAL BRANCH, VISAKHAPATNAM, AS STIPULATED IN CLAUSE NO.5.1.1.

.....  
**FORM OF BANK GUARANTEE FOR PERMANENT SECURITY DEPOSIT**

**(ON NON JUDICIAL STAMP PAPER OF APPROPRIATE VALUE PURCHASED IN THE NAME OF EXECUTING BANK)**

Name & Address of the Bank :  
 Bank Guarantee No.& Date :  
 Date of expiry : **Minimum ONE YEAR FROM THE DATE OF BG**  
 Limit of liability :

**Reference Documents:**

- i) General Terms & Conditions of e-tender for Export Sale of Steel Products to Nepal (**Ref no: MKTG/ITD/NEPAL/ST/E-TENDER T&C dtd. 01/09/2018**)
- ii) Standard Terms and Conditions for Agreement for Sale by VSP for Exports of Iron and Steel Products on Ex-Works (EXW) Basis to Nepal (**Ref no: VSP/EXPT/EXW-T&C dtd. 01/09/2018**)

Subject: **Security Deposit**

To

Rashtriya Ispat Nigam Limited

Visakhapatnam Steel Plant

Visakhapatnam- 530031

1. WHEREAS Rashtriya Ispat Nigam Ltd., Visakhapatnam Steel Plant (hereinafter referred to as 'Company') floats Tenders/E-Tenders for export of Iron & Steel products to Nepal AND WHEREAS the 'General Terms & Conditions of e-Tender for Export Sale of Steel Products to Nepal' vide Ref No. MKTG/ITD/NEPAL/ST/E-TENDER T&C DATED 01/09/2018, requires that any eligible bidder/Buyer wishing to make an offer in response to the Invitation to Tenders/E-Tenders of the 'Company' and enter into 'Contract' with the 'Company' for purchase of Iron & Steel Products on being successful Bidder/Buyer, shall establish an irrevocable Permanent Security Deposit in favour of the 'Company' in the form of Bank Guarantee, for an amount of INR 5,00,000 (INR Five Lakhs only), valid up to ..... (Minimum ONE YEAR from the date of issue of BG), as guarantee.

**AND WHEREAS**

M/s .....(hereinafter referred to as the said Buyer) wishes to make offers in response to the Invitation to Tenders/E-Tenders from the 'Company' and enter into 'Contract' with the 'Company' for the purchase of Iron and Steel products on the basis of EXW (EX-WORKS) Visakhapatnam.

NOW THIS BANK HEREBY GUARANTEES that in the event of the said buyer failing to abide by any of the conditions referred to in the 'Contract' and any of the **Reference documents**, this Bank shall pay (through the .....Branch of this Bank at Visakhapatnam) to Rashtriya Ispat Nigam Ltd., Visakhapatnam Steel Plant, Visakhapatnam, INDIA on demand and without protest or demur INR 5,00,000 (INR Five Lakhs only). This Bank further agrees that the decision of RINL as to whether the

said buyer has committed a breach of any of the conditions referred to in the 'Contract' and any of the **Reference documents**, shall be final and binding.

2. We ..... (Name of the Bank) .....  
(hereinafter referred as the said Bank) do hereby covenant and agree with you as under:
3. We undertake to indemnify you and keep you indemnified from time to time to the extent of **INR 5,00,000 (INR Five Lakhs only)** against any loss or damage or costs caused to or suffered by or that may be caused or suffered by you by reason of any breach or breaches on the part of the Buyer, of any of the terms and conditions contained in the said 'Contract' and any of the **Reference documents**, and in the event the Buyer shall make any defaults in carrying out any of the works under the said 'Contract' and any of the **Reference documents** or otherwise in the observance and performance of any of the terms and conditions relating thereto, we shall forthwith without any protest or demur pay to you such sum or sums not exceeding in total the said sum of **INR 5,00,000 (INR Five Lakhs only)** as may be claimed by you as your losses and/or damages, costs, charges or expenses by reason of such default / defaults on the part of the Buyer.
4. Notwithstanding anything to the contrary, your decision as to whether the Buyer has made any such default or defaults and the amount or amounts to which you are entitled by reason thereof shall be binding on us and we shall not be entitled to ask you to establish your claim under this Guarantee but will pay the same on demand from you without any objection.
5. The Company shall have the fullest liberty to claim payment of the amount or amounts from time to time under this Guarantee subject to the ceiling limit of **INR 5,00,000 (INR Five Lakhs only)** as referred to above and this Guarantee shall not become invalid or infructuous because of the partial demands made by the Company upon us for payment under the circumstances stipulated hereinabove and this guarantee shall hold good in favour of the Company to the extent of the balance amount covered under this Guarantee.
6. This Guarantee shall continue and hold good until it is released by you on the application by the Buyer after the Buyer had discharged all its obligations under the said contract. Should it be necessary to extend this Guarantee beyond the said date on account of any extension of time being granted by you to the Buyer under the said contract/E-Tender Terms & Conditions/Standard Terms & Conditions for Ex-Works sale to Nepal or otherwise we undertake to extend the period of this Guarantee and confirm to you in writing the extension of time on your request till such time as may be required.
7. You will have the fullest liberty without our consent and without affecting this guarantee from time to time to vary any of the terms and conditions of the said contract/E-Tender Terms & Conditions/Standard Terms & Conditions for Ex-Works sale to Nepal or extend time of performance of the Buyer or to postpone for any time or from time to time any of your rights or powers against Buyer and either to enforce or forbear to enforce any of the terms and conditions of the said contract/E-Tender Terms & Conditions/Standard Terms & Conditions for Ex-Works sale to Nepal and we shall not be released from our liability under this Guarantee by the exercise of your liberty with reference to matters aforesaid or by reason of any time being given to the Buyer or any other forbearance, act or omission on your part or any indulgence by you to the Buyer or by any variation or modification of the said contract/E-Tender Terms & Conditions/Standard Terms & Conditions for Ex-Works sale to Nepal / or by any other act matter or thing whatsoever which under the law relating to sureties would but for the provisions hereto have the effect of so releasing us from our liability hereunder provided always nothing herein contained will enlarge our liability herein beyond the limit of **INR 5,00,000 (INR Five Lakhs only)** as aforesaid or extend the period of Guarantee beyond the said day of .....20..... unless expressly agreed to by us in writing.
8. This guarantee shall not in any way be affected by your taking or varying or giving up any sureties from the Buyer or any other person, firm or company on its behalf or by the winding up, dissolution, insolvency reconstruction, or death as the case may be of the Buyer.
9. In order to give full effect to the guarantee herein contained you shall be entitled to act as if we were your principal debtors in respect of all your claims against the Buyer hereby guaranteed by us as aforesaid and

we hereby expressly waive all our rights of suretyship and other rights, if any, which are in any way inconsistent with the above or any other provisions of this guarantee.

- 10. Subject to the maximum limit of our liability as aforesaid this guarantee will cover all your claim or claims against the Buyer from time to time arising out of or in relation to the said Contract/E-Tender Terms & Conditions/Standard Terms & Conditions for Ex-Works sale to Nepal and in respect of which your demand or notice in writing is received by us.
- 11. This guarantee and the powers and provisions herein contained are in addition to and not by way of limitation of our substitution for any other guarantee or guarantees thereto given to you by us (whether jointly with other or alone) and now existing uncanceled and that this guarantee is not intended to and shall not revoke or limit such guarantee or guarantees.
- 12. This guarantee shall not be affected by any change in the constitution of the Buyer or us nor shall it be effected by any change in your constitution or by any amalgamation or absorption or reconstruction thereof or therewith but will ensure for and be available to and enforceable by the absorbing or amalgamated reconstructed Company or concern.
- 13. This guarantee during its currency shall not be revocable by us except with your previous consent in writing.
- 14. It shall not be necessary for you to proceed against the Buyer before proceeding against us and the guarantee herein contained shall be enforceable against us, notwithstanding any security which you may have obtained or obtain from Buyer at any time or when proceedings are taken against us hereunder be outstanding or realized.
- 15. We (mention the name of the Bank), hereby agree that any claim due and arising under this guarantee shall be enforceable against our Bank's Branch ..... (mention the name and address of the Branch) at VISAKHAPATNAM and they shall honour such demand in any case not later than next working day.
- 16. Issuance of this Bank Guarantee may also be got confirmed from our controlling branch/ office/higher Authority as per the name & address mentioned below.

THIS BANK FURTHER undertakes that this Guarantee shall remain irrevocably valid and in force up to ..... (Minimum ONE YEAR from the date of BG)

**NOTWITHSTANDING ANYTHING CONTAINED HEREIN:**

- 1) **OUR LIABILITY UNDER THIS GUARANTEE SHALL NOT EXCEED INR 500,000.00 (INR FIVE LACS ONLY).**
- 2) **THE VALIDITY OF OUR BANK GUARANTEE IS XX/XX/XXXX.**
- 3) **WE ARE LIABLE TO PAY THE GUARANTEED AMOUNT OR ANY PART THEREOF UNDER THIS BANK GUARANTEE ONLY AND ONLY IF YOU SERVE UPON US A CLAIM OR DEMAND ON OR BEFORE XX/XX/XXXX.**

For and on behalf of

Signature

(Name of the duly constituted attorney and Authorized signatory)

Designation:

Name and Address of the Bank

Place : \_\_\_\_\_

Date : \_\_\_\_\_

**BG FOR EARNEST MONEY DEPOSIT(EMD)/SECURITY DEPOSIT(SD)**

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APPLICABLE EMD SHALL BE INR 5,00,000/- (INR FIVE LAKHS ONLY).-(*APPLICABLE TO THOSE BIDDER(S) ONLY (INCLUDING JOINT BIDDER IF ANY), WHO HAVE NOT OPTED TO SUBMIT SD AND OPTED FOR SUBMITTING EMD AS PER OPTION-2 AT CLAUSE 5.1.2. SUCH BIDDERS HAVE TO NECESSARILY SUBMIT EMD OF RS. 5 LAKHS ALONG WITH THE TENDER/E-TENDER*)

EMD SHALL BE SUBMITTED IN THE FORM OF B.G BEFORE ONE INTERNATIONAL BANKING DAY OF THE TENDER OPENING DATE

THE BANK GUARANTEE SHOULD BE STRICTLY AS PER FORMAT GIVEN BELOW THROUGH STATE BANK OF INDIA, COMMERCIAL BRANCH, VISAKHAPATNAM, AS STIPULATED IN CLAUSE NO.5.1.2.

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**FORM OF BANK GUARANTEE FOR EMD/SD**

(ON NON JUDICIAL STAMP PAPER OF VALUE NOT LESS THAN Rs 100/-PURCHASED IN THE NAME OF EXECUTING BANK)

1. Name & Address of the Bank:

(Full Postal Address & PIN code to be given)

2. Bank Guarantee No. & Date:

3. Limit of liability: \_\_\_\_\_

4. Expiry Date: THREE months from Tender Opening Date

5. Reference Documents:

i) Invitation to Tender/NIT /E-Tender Notice No **MKTG/ITD/NEPAL/20xx-xx/ST/E-TENDER NOTICE/....DATED .../.../20xx**

ii) General Terms & Conditions of e-tender for Export Sale of Steel Products to Nepal (**Ref no: MKTG/ITD/NEPAL/ST/E-TENDER T&C dtd. 01/09/2018**)

iii) Standard Terms and Conditions for Agreement for Sale by VSP for Exports of Iron and Steel Products on Ex-Works (EXW) Basis to Nepal (**Ref no: VSP/EXPT/EXW-T&C dtd. 01/09/2018**)

To

Rashtriya Ispat Nigam Ltd.,

Visakhapatnam Steel Plant

Visakhapatnam 530 031 (AP)

**Sub: Earnest Money Deposit / Security Deposit.**

1. WHEREAS Rashtriya Ispat Nigam Ltd., Visakhapatnam Steel Plant (hereinafter referred to as 'Company') have invited Tender vide **Tender/NIT/E-Tender Notice No. MKTG/ITD/NEPAL/20xx-xx/ST/E-TENDER NOTICE/....DATED .../.../20xx** (hereinafter referred to as the said 'Invitation to Tender') for export of Steel products AND WHEREAS the said 'Invitation to Tender/E-Tender' requires that any eligible tenderer wishing to make an offer in response thereto, shall establish an irrevocable EMD in favour of 'Company' in the form of Bank Guarantee, for an amount of **INR 5,00,000 (INR Five Lakhs only)** valid up to ..... (**THREE months from Tender Opening date**) as guarantee. **This EMD shall be converted into Security Deposit in case of successful bidder.**

**AND WHEREAS**

M/s .....(hereinafter referred to as the said Tenderer/Bidder) wishes to make an offer in response to the said Invitation to Tender for the purchase of Iron & Steel Products on the basis of EXW Visakhapatnam.

NOW THIS BANK HEREBY GUARANTEES that in the event of the said Tenderer/Bidder failing to abide by any of the conditions referred to in any of the **Reference documents**, this Bank shall pay (through the ..... Branch of this Bank at Visakhapatnam) to Rashtriya Ispat Nigam Ltd., Visakhapatnam Steel

Plant, Visakhapatnam, INDIA on demand and without protest or demur INR 5,00,000 (INR Five Lakhs only). This Bank further agrees that the decision of 'Company' as to whether the said Tenderer/Successful Bidder/Buyer has committed a breach of any of the conditions referred to in any of the Reference documents, shall be final and binding.

2. We, the ..... Bank (hereinafter referred to as "the said Bank") a Company under the Companies Act, 1956 and having our Registered Office at..... do hereby undertake and agree to indemnify and keep indemnified the Company to the extent of INR 5,00,000 (INR Five Lakhs only) against any loss or damage costs, charges and expenses caused to or suffered by or that may be caused or suffered by the Company by reasons of any breach or breaches by the tenderer/successful bidder/Buyer of any of the terms and conditions contained in the said documents and/or the contract and unconditionally pay the amount claimed by the Company on demand and without demur to the extent aforesaid.
3. We, the ....., Bank further agrees that if the Tenderer/Successful Bidder/Buyer commits any breach of the terms and conditions of the said documents and/or the contract and the Company has become entitled to forfeit the Earnest Money/Security Deposit or any part thereof, the Bank hereby unconditionally and irrevocably agrees and undertakes to pay to the Company on demand and without demur the amount of the Earnest Money/Security Deposit required to be furnished by the tenderer/successful bidder/Buyer under the conditions of the said documents and/or the contract in respect of which the breach is committed to the extent of INR 5,00,000 (INR Five Lakhs only).
4. We, the ....., Bank further agrees that the company shall be the sole judge of and as to whether the Tenderer/Successful Bidder/Buyer has committed any breach or breaches or any of the terms and conditions of the said documents and/or the contract and the extent of loss, damage, costs, charges and expenses caused to or suffered by or that may be caused to or suffered by the Company on account thereof to the extent of the Earnest Money/Security Deposit required to be deposited by the Tenderer/Successful Bidder/Buyer in respect of the said document and/or the contract and the decision of the Company that the Tenderer/Successful Bidder/Buyer has committed such breach and as to the amount or amounts of loss, damage, costs, charges and expenses caused to or suffered by or that may be caused to or suffered by the Company shall be final and binding on us.
5. We, the said Bank, further agree that the guarantee herein contained shall remain in full force and effect until it is released by the company, provided, always the guarantee shall in no event remain in force after the ..... day of ..... without prejudice to the claims of the Company arisen and demanded from or otherwise notified to us in writing on or before the said date which will be enforceable against us notwithstanding that the same are enforced after the said date.
6. The Company shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee or Indemnity from time to time to vary any of the terms and conditions of the said documents and/or the contract or to extend time of performance by the Tenderer/Successful Bidder/Buyer or to postpone for any time and from time to time any of the powers exercisable by it against the Tenderer/Successful Bidder/Buyer and either to enforce or forbear from enforcing any of the terms and conditions governing the said document and/or the contract or securities available to the Company and the said Bank shall not be realized from its liability under these presents by any exercise of the Company of the liberty with reference to the matters aforesaid or by reason of time being given to the Tenderer/Successful Bidder/Buyer or any other forbearance act or omission on the part of the Company or any indulgence by the Company to the Tenderer/Successful Bidder/Buyer or of any other matter or thing whatsoever which under the law relating to sureties would but for these provision have the effect or so releasing the Bank from its liability.
7. It shall not be necessary for the Company to proceed against the Tenderer/Successful Bidder/Buyer before proceeding against the Bank and the guarantee herein contained shall be enforceable against the Bank notwithstanding any security which the Company may have obtained or obtain from the Tenderer/Successful Bidder/Buyer shall at the time when proceeding (s) are taken against the Bank hereunder be outstanding or unrealized.
8. We, the said bank lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Company in writing and agree that any change in the constitution of the Company or the tenderer/successful bidder/Buyer, the Bank shall not discharge our liability hereunder.



9. We (mention the name of the Bank), hereby agree that any claim due and arising under this guarantee shall be enforceable against our Bank's Branch \_\_\_\_\_ (mention the name and address of the Branch) at VISAKHAPATNAM and they shall honour such demand in any case not later than next working day.

10. Issuance of this Bank Guarantee may also be got confirmed from our controlling branch/ office/higher Authority as per the name & address mentioned below:

THIS BANK FURTHER undertakes that this Guarantee shall remain irrevocably valid and in force up to .....**(THREE months from Tender Opening date).**

**NOTWITHSTANDING ANYTHING CONTAINED HEREIN:**

- 1) **OUR LIABILITY UNDER THIS GUARANTEE SHALL NOT EXCEED INR 500,000.00 (INR FIVE LACS ONLY).**
- 2) **THE VALIDITY OF OUR BANK GUARANTEE IS XX/XX/XXXX.**
- 3) **WE ARE LIABLE TO PAY THE GUARANTEED AMOUNT OR ANY PART THEREOF UNDER THIS BANK GUARANTEE ONLY AND ONLY IF YOU SERVE UPON US A CLAIM OR DEMAND ON OR BEFORE XX/XX/XXXX.**

For and on behalf of

Signature

(Name of the duly constituted attorney and Authorized signatory)

Designation:

Name and Address of the Bank

Place .....

Date .....

Note: Instructions to the Bank: Not to be reproduced in the Bond Paper.

The following are to be filled up in the blank space indicated thus:

All pages of bank guarantees shall have the Rubber Stamp and signature of the Officer of the Bank.

All corrections shall be attested by Rubber Stamp and Stamp of the Officer of Bank.

**DECLARATION (ON LETTER HEAD OF THE BIDDER)**

Ref. No.:

Date:

To

Dy. General Manager (Marketing)-ITD  
Rashtriya Ispat Nigam Ltd. (VSP),  
VISAKHAPATNAM -530 031.

Dear Sir,

**We hereby declare that we are not under any economic sanctions imposed by USA, EU or UN and also we will not have any links with the states Cuba, Sudan, Iran etc., if any, is mentioned in the L/C.**

Station:

Signature of the BIDDER /

Date:

Authorized Representative

**STANDARD TERMS AND CONDITIONS FOR AGREEMENT FOR SALE BY VSP FOR EXPORTS OF IRON AND STEEL PRODUCTS ON EX-WORKS (EXW) BASIS TO NEPAL**

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.

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 Train/Free on Truck, on Ex-Works (EXW), Visakhapatnam Steel Plant, Visakhapatnam, India basis.

3.2

(A) **In case of Road Dispatches** 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.

(B) **In case of Rail dispatches**, SELLER will be engaging Railways on behalf of the BUYER for providing Rakes/wagons and loading of the contracted material. Authorization for the same by the BUYER to the SELLER will be deemed to have been provided on signing of the contract and release of Railway Freight Advance by the BUYER to the SELLER. Labour charges involved in the work of loading of the materials shall be borne by SELLER. However, Undercharges/Under loading charges, if any will be borne by the BUYER.

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 Ex-Works, Visakhapatnam Steel Plant, Visakhapatnam, India.

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 Product-wise, 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.

4.3 Weighment: Unless otherwise agreed, SELLER shall invoice on the basis of actual net weight. **The weight (quantity) recorded at the SELLER's weighbridge is final and shortage claims if any will not be entertained. BUYER or their authorized representative, may if so desired, witness the loading as well as Weighment of the material.**

In addition to the above, for dispatches by RAIL, the BUYER is also advised to take up with Railways in their own interest if any shortages are suspected to have the wagons reweighed and contents checked immediately on arrival at destination Railway Siding, before taking delivery of the material. SELLER will not be responsible for any loss or shortages on arrival and BUYER may take up such issues with the Railways only. Any charges raised by Railways on this account shall be borne by the BUYER.

**5. DELIVERY/SHIPMENT:**

- 5.1 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.
- 5.2 **In case of Road Dispatches** the SELLER shall deliver the materials free on trucks/trailers nominated by BUYER and accepted by the SELLER at Visakhapatnam Steel Plant, Visakhapatnam, India.
- 5.3 **In case of Rail Dispatches materials shall be delivered by the SELLER, free on Rakes/wagons, at Visakhapatnam Steel Plant, Visakhapatnam, India.** SELLER will not be responsible for any delay in placement of Rakes by Railways, Transit delays if any due to any reasons, and Missing/Non delivery of wagons for dispatch of material.

**6. TERMS OF PAYMENT:**

## 6.1

**A) For Material Value:**

Unless agreed otherwise, financial arrangements shall be made within 7 International Banking days from the date of Sale Confirmation/Issuance of Contract 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 (Ex-Works), Visakhapatnam Steel Plant, Visakhapatnam, India, 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 Swift code - SBININBB745 TEL NO.0891 2555587 / 86
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OR

Through any other Advising Bank in India as intimated by the Seller at the time of entering into Sales Contract, as per the negotiating documents negotiable at the counters of any branch or any Bank of India.
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**B) For Freight in case of Rail Dispatches:**

In addition to opening of the LC towards material value as above, BUYER has to arrange the payment towards Railway Freight in Indian Rupee, in advance, outside the LC. Payment towards Railway Freight is required to be transmitted by the BUYER as per the schedule communicated by the SELLER, through RTGS/NEFT to the SELLER's account details as given below:

Beneficiary:	Rashtriya Ispat Nigam Limited Visakhapatnam Steel Plant Main Admin Building Visakhapatnam-530031 AP, INDIA
Bank:	State Bank Of India Commercial Branch Visakhapatnam-530 016 AP, India
Account No:	31563188242
Type Of Account:	CASH CREDIT
MICR CODE:	530002059
SWIFT CODE:	SBININBB745
IFSCCODE:	SBIN0014407

Note: Unless financial arrangement towards Railway Freight (for Rail dispatches) and Material Value as above or otherwise as agreed by SELLER is made by the BUYER, the SELLER is not obliged to confirm delivery.

**6.2 PAYMENT AGAINST LC:**

- 6.2.1 **LC should be conforming to Seller's Standard LC Format enclosed with this agreement.**
- 6.2.2 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) Copy of Road Consignment Note (RCN) and/or Copy of Railway Receipt (RR) [as applicable].
- b) SELLER's Packing list.
- c) SELLER's signed Commercial Invoice.
- d) SELLER's Certificate of Origin.
- e) Copy of Tax Invoice showing Zero Integrated Goods and Service Tax (IGST FREE) mentioning Letter of Undertaking (LUT) / Bond No. and quoting the Documentary Credit Number and its date. In case of non-submission of this document payment shall be made in equivalent Indian Currency only without any argument.

Note: One copy each alongwith ORIGINALS of the aforesaid documents shall be dispatched by the SELLER to the BUYER by Courier/Email or through any other mode within 7 working days from the RCN date/RR Date. However, SELLER shall not be liable for any demurrage and wharfage or other charges or expenses which may accrue as a result of delay in receipt of RRs by the BUYER.

- 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.
- 6.2.4 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 21 days beyond that for negotiations of documents.
- 6.2.5 All Bank and other charges incurred outside the territory of India shall be borne and paid for by the BUYER. All Bank and other charges incurred inside the territory of India including LC confirmation charges, shall be borne and paid for by the SELLER.
- 6.2.6 Weight mentioned in RR may differ with the weight mentioned in the TAX Invoice. However, TAX Invoice/ Commercial Invoice Quantity shall be considered for negotiation.
- 6.2.7 Discrepancy charges if any will be borne by the BUYER.
- 6.3 The financial arrangement required to be made by the BUYER shall be deemed to be made only on receipt of LC in the required format (alongwith amendments required if any) and advance Railway Freight in case of Rail dispatches, 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.

## 7. RISK AND TITLE:

The risk with respect to each shipment, 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:

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:

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.

**10. 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 2010, latest revision, shall be applied.

**11. 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.

**12. JURISDICTION OF COURTS:**

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

**13. 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.

**14. 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.

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Ref: VSP/EXPT/EXW-T&C Dt. 01/09/2018

**FORMAT FOR LETTER OF CREDIT**

(PLEASE REFER CLAUSE 6.2 OF VSP'S STANDARD TERMS AND CONDITIONS FOR AGREEMENT FOR SALE BY VSP FOR EXPORTS OF IRON AND STEEL PRODUCTS ON EX-WORKS (EXW) BASIS TO NEPAL VIDE REF NO: VSP/EXPT/EXW-T&C DT.01/09/2018)

FROM: \_\_\_\_\_(NAME & ADDRESS OF THE LC OPENING BANK)

TO: STATE BANK OF INDIA, COMMERCIAL BRANCH, VISAKHAPATNAM,  
IFSC : SBIN0014407, TEL: 0891 2555587 / 86, SWIFT CODE – SBININBB745

OR

THROUGH ANY BANK OF INDIA AS ADVISED BY THE SELLER AT THE TIME OF ENTERING INTO SALES CONTRACT

LC APPLICANT : (NAME & ADDRESS OF THE LC OPENER)

.....

BENEFICIARY: RASHTRIYA ISPAT NIGAM LIMITED, VISAKHAPATNAM STEEL PLANT, ADMINISTRATIVE BUILDING, VISAKHAPATNAM - 530 031, INDIA.

WE HAVE OPENED OUR IRREVOCABLE WITHOUT RECOURSE TO DRAWER LETTER OF CREDIT NO..... DATED..... FOR THE SUM NOT EXCEEDING US\$.....(US DOLLAR.....) PAYABLE AT SIGHT AT THE COUNTERS OF THE NEGOTIATING BANK IN VISAKHAPATNAM AGAINST PRESENTATION OF BENEFICIARY'S DRAFT DRAWN ON OURSELVES FOR 100 PERCENT VALUE OF INVOICE ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1. COMMERCIAL INVOICE IN ONE ORIGINAL PLUS THREE SIGNED COPIES COVERING MATERIAL SHIPPED.
2. COPY OF RAILWAY RECEIPT (RAIL DESPATCHES)/ CONSIGNMENT NOTE (ROAD DESPATCHES):
  - 2.1. **FOR RAIL DESPATCHES:** COPY OF RAILWAY RECEIPT CONSIGNED TO THE LC OPENING BANK AND MARKED FREIGHT AS 'PAID'.
  - 2.2. **FOR ROAD DESPATCHES:** CONSIGNEE'S COPY OF ROAD CONSIGNMENT NOTE CONSIGNED TO ORDER OF THE BENEFICIARY AND BLANK ENDORSED MARKED "FREIGHT TO PAY" EVIDENCING SHIPMENT FROM VISAKHAPATNAM, INDIA TO.....
3. PACKING LIST - IN DUPLICATE OR AS REQUIRED.
4. CERTIFICATE OF ORIGIN ISSUED BY SELLER.
5. **COPY OF TAX INVOICE STATING 'IGST FREE OR ZERO IGST (INTEGRATED GOODS AND SERVICES TAX) EXPORT' AND MENTIONING LETTER OF UNDERTAKING (LUT) / BOND NO. AND QUOTING OUR DOCUMENTARY CREDIT NUMBER AND ITS DATE. INCASE OF NON-SUBMISSION OF ABOVE DOCUMENT PAYMENT SHALL BE MADE IN EQUIVALENT INDIAN CURRENCY ONLY WITHOUT ANY ARGUMENT.**

.....  
DESCRIPTION OF THE MATERIAL, QUALITY, PACKING & MARKING

QUANTITY :  
 UNIT PRICE : USD..... PMT EXW VISAKHAPATNAM  
 SHIPMENT FROM : VISAKHAPATNAM STEEL PLANT SIDING, ANDHRA PRADESH, INDIA.  
 SHIPMENT TO : .....  
 LATEST SHIPMENT DATE:  
 L/C EXPIRY DATE :  
 PLACE OF LC EXPIRY : INDIA  
 PARTIAL SHIPMENTS : PERMITTED

.....

SPECIAL CONDITIONS:

1. RAILWAY FREIGHT SHALL BE SETTLED BY THE LC APPLICANT OUTSIDE OF THIS LETTER OF CREDIT.
2. INSURANCE, IF REQUIRED, TO BE COVERED BY THE LC APPLICANT.
3. ALL BANK CHARGES INCLUDING OPENING OF LETTER OF CREDIT, **REIMBURSEMENT CHARGES AND/OR LC CONFIRMATION CHARGES**, INCURRED OUTSIDE INDIA SHALL BE BORNE AND PAID FOR BY THE LC APPLICANT. ALL BANK CHARGES INCURRED IN INDIA SHALL BE BORNE AND PAID FOR BY THE BENEFICIARY.
4. THIS LC CAN BE CONFIRMED BY ANY BANK IN INDIA, IF REQUESTED BY THE BENEFICIARY, AND SUCH CONFIRMATION CHARGES **IF INCURRED IN INDIA**, ARE TO THE ACCOUNT OF BENEFICIARY.
5. TOLERANCE OF +/-10% (PERCENT) ON CREDIT AMOUNT AND QUANTITY IS ACCEPTABLE. ALL SPELLING MISTAKES AND TYPOGRAPHICAL ERRORS AND MISTAKES ARE ACCEPTABLE PROVIDED THAT THEY DONOT ALTER THE MEANING DESCRIPTION, SPECIFICATION, VALUE AND TERMS OF LC.
6. QUANTITY MENTIONED IN RAILWAY RECEIPT MAY DIFFER FROM OTHER SHIPPING DOCUMENTS. COMMERCIAL INVOICE SHALL BE GENERATED AS PER THE QUANTITY MENTIONED IN **'TAX INVOICE'** AND **'COMMERCIAL INVOICE/TAX INVOICE'** QUANTITY SHALL BE CONSIDERED FOR NEGOTIATION.
7. THIS CREDIT IS AVAILABLE WITH ANY BANK IN INDIA FOR NEGOTIATION AND PAYMENT.
8. THIRD PARTY DOCUMENTS ARE ACCEPTABLE.
9. INDIAN HSN CODE/HARMONIC CODE NUMBER IS ACCEPTABLE IN THE DOCUMENTS, FOR INDIAN CUSTOMS CLEARANCE AND NEGOTIATION WITH THE BANK.
10. DOCUMENTS TO BE PRESENTED FOR NEGOTIATION WITHIN 21 DAYS AFTER THE DATE OF ISSUANCE OF SHIPPING DOCUMENTS BUT WITHIN THE VALIDITY OF THIS CREDIT.
11. WE HEREBY AGREE WITH BENEFICIARY AND THE NEGOTIATING BANK THAT ALL DRAFTS DRAWN BY THE BENEFICIARY UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT WILL BE DULY HONOURED BY US AS PER REIMBURSEMENT INSTRUCTIONS APPEARING HEREIN BELOW:

REIMBURSEMENT INSTRUCTIONS:

UPON PRESENTATION OF DOCUMENTS COMPLYING IN ALL RESPECTS TO LETTER OF CREDIT TERMS (THIS WILL INCLUDE NEGOTIATION OF DOCUMENTS UNDER THE PROVISIONS OF CONDITION NO.4 OF SPECIAL CONDITIONS OF THIS CREDIT IF SUCH AN EVENTUALITY HAS ARISEN) THE NEGOTIATING BANK IS AUTHORISED TO CLAIM ON US BY TESTED TELEX CERTIFYING THAT ALL TERMS AND CONDITIONS HAVE BEEN COMPLIED WITH AND THAT THE RELATIVE DOCUMENTS HAVE BEEN FORWARDED TO US BY COURIER AND/OR REGISTERED AIRMAIL, WE UNDERTAKE TO REMIT WITHIN TWO WORKING DAYS AFTER RECEIPT BY US OF YOUR TESTED TELEX CLAIM IN US DOLLARS IN ACCORDANCE WITH THE NEGOTIATING BANK'S INSTRUCTIONS. IN CASE OF ANY DELAY IN REMITTANCE, INTEREST CHARGED BY NEGOTIATING BANK SHALL BE PAID BY US.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500. THIS TELEX IS OPERATIVE INSTRUMENT AND NO MAIL CONFIRMATION WILL FOLLOW.

END OF LETTER OF CREDIT FORMAT