

GENERAL TERMS AND CONDITIONS FOR EXPORT (FOB)

Contract No SAIL/ITD/C-100000----/20-- dated ----

1.0 Trade Terms

1.1 To interpret all commercial terms and abbreviations used herein and which have not been otherwise defined, the rules of 'INCOTERMS' {Latest Version} shall apply.

2.0 Prices

2.1 Price(s) as agreed between the Seller and the Buyer are inclusive of the labour charges payable by seller) involved in the work of dunnaging/ stowing/ lashing/ shoring and securing of the materials at loadport supplied by the Buyer.

2.2 The Buyer shall arrange at his own costs and expenses to provide to the Master of the vessel at the LOAD PORT all the materials including materials for dunnage required for stowing, dunnaging, lashing, shoring and securing of the materials inside the hatches/ holds of the vessel.

2.3 The Seller shall under no circumstances be liable for any costs, charges, liabilities of whatsoever nature arising subsequent to the delivery / loading of the materials on board the vessel on the basis of FOB (SLSD Load Port, such as ocean freight, insurance charges, port dues, taxes including income tax, customs duties, unloading and handling charges, levies and fees, if any, of whatsoever nature and kind, payable or leivable at the time of or by reason of importation of the materials in the country of import

3.0 Test Certificate and Inspection

3.1 The materials shall be covered by Works Test Certificate issued by Steel Plant(s) of the Seller. The Works Test Certificate shall be furnished showing Heat / Cast Number, chemical properties and mechanical properties as may be required in the specification mutually agreed to. Test certificate will be provided to the buyer by the seller outside the LC.

3.2 The material will be inspected at the load port prior to loading by the pre-shipment inspection agency, mutually acceptable to the seller and the Buyer. The inspection Certificate shall certify (a) that the material were inspected at the load port prior to loading and marking (except for Pig Iron) were as per the requirement of the Agreement between seller and the buyer (b) total number of pieces / bundles /packets/Coils (except for Pig Iron) and weight in MT and (c) that the materials loaded on board the vessel are without apparent damages , properly lashed and secured (except for Pig Iron) inside the hatches/Holds of the vessel. The cost of such pre-shipment inspection at the load port shall be borne and paid for by the seller.

3.3 Remarks as under in Pre shipment certificate :

--- "materials partly rust stained / rusty edges/ wet before shipment/ / oil/ grease stains and/or "unprotected cargo" and/or "said to be" and/or "said to weigh" and/or "stored in open area prior to loading" are acceptable.(except for CRC/GP/packed material)

For CRC/CR sheets/ Galvanized coils/ Galvanized sheets/ Packed material –such as " Some broken straps, some rust stains or edges" referring to Packing only, and/or "said to be" and/or "said to weigh" and/or "stored in open area prior to loading" are acceptable.

4.0 Delivery/ Shipment

4.1 The shipment schedule will be subject to the condition that the Seller is in possession of the Letter of Credit satisfactory in all respects to the Seller, within the time schedule.

4.2 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 agreed lay can with such extensions as may be mutually agreed upon in writing (in which event the validity of the Letter of Credit for shipment and negotiation shall be promptly extended by the Buyer), the Seller shall deliver the materials on FOB [(SLSD) stowed, lashed, secured and dunnaged] load port terms.

5.0 Risk and Title

5.1 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 LOAD PORT.

5.2 The title to the materials shall pass from the Seller to the Buyer only after the Seller has negotiated the documents and received full invoice value payment from the opening bank / Reimbursing bank or seller has raised invoice after having received the full invoice payment in advance.

5.4 Clause 5.2 shall also apply to documents under the Clause 9 hereunder, if such an eventuality has arisen.

6.0 Right of Transfer

6.1.. The Buyer shall be entitled to assign or transfer contract resulting from this Agreement to its successor or permitted assignee/s only with the written consent of the seller and in the case of any such assignment or transfer, the contract shall be binding upon such successor or transferee.

7.0 Modification of the Contract

7.1 This Agreement cancels/ supersedes all previous negotiations/ agreements between the parties hereto. There are no understanding(s) or agreement between the Buyer and the Seller which are not fully expressed herein and no statement or agreement, oral or written, made prior to or at the signing hereof shall affect or modify the terms hereof or otherwise be binding on the parties hereto. No change in respect of the contract covered by this Agreement shall be valid unless the same is agreed to in writing by both the parties hereto specifically stating the same to be an amendment to this Agreement.

7.2 The signed contract transmitted by the parties by Facsimile or E-mail shall be considered as originals.

8.0 Waiver

8.1 Failure to enforce any condition herein contained shall not operate as a waiver to the condition itself or any subsequent breach thereof.

9.0 Red Clause

9.1 In the event of:

(a) The failure of the Buyer to nominate a suitable vessel within the specified laydays, as per sellers cargo NOR, as mentioned in the Seller's Notice of Readiness (NOR)

or

(b) The vessel nominated by the Buyer and accepted by the Seller failing to arrive at the designated load port within the agreed laycan as per sellers cargo NOR, for reasons other than Force Majeure, as defined under Clause 10 herein below:

Or

(c) The vessel (nominated by the Buyer and accepted by the Seller) being found unsuitable after its arrival at the designated loadport, as certified by independent marine surveyor(s), the seller shall be entitled to negotiate their Commercial Invoice against the L/C opened by the Buyer and realise 100% of the value of the materials ready for shipment on the basis of certificate issued by the Pre- shipment Inspection agency certifying that the contracted materials and quantity are ready for shipment and also that the materials are in good condition. Remarks as under

--- "materials partly rust stained / rusty edges/ wet before shipment/ / oil/ grease stains and/or "unprotected cargo" and/or "said to be" and/or "said to weigh" and/or "stored in open area prior to loading" are acceptable.(except for CRC/GP/packed material) , appearing in the Pre-Shipment Inspection

For CRC/CR sheets/ Galvanized coils/ Galvanized sheets/ Packed material – such as " Some broken straps, some rust stains or edges referring to Packing only , and/or "said to be" and/or "said to weigh" and/or "stored in open area prior to loading" are acceptable to buyer.

Note : In case of advance payment in full having been received by the seller , invoice will be issued by seller on expiry of Laycan, and invoice shall also be raised by the sellers in the events mentioned in sub clause (a),(b) and (c) above.

9.2 The title having already passed on to the buyer, the materials will thereafter be held in custody by the seller at the risk and responsibility of the buyer at the storage yard of the seller. The materials will be covered by tarpaulin at the buyer's request and cost at the storage yard of the seller.

The cost of holding materials shall be as follows till the date of acceptance of vessel's NOR,

US(\$PMT)

i] For the first 15 days from -the date of exercise of Red Clause by seller	Nil
ii] For any subsequent week(s) (7 days) or part thereof	1

Buyer to ensure that payment towards Ground Rent and/or Tarpaulin cost is remitted and remittance instruction duly forwarded by SWIFT message, before actual shipment, against the debit invoice.

9.3 The Buyer shall however nominate [another] suitable vessel within reasonable time from the date of realisation of payment, as mentioned above, for taking delivery of the cargo and subject to such vessel arriving at the designated loadport, the seller shall at his cost deliver the materials FOB [SLS] in terms of Contract.

9.4 The Letter of Credit* established by the buyer in favour of the seller shall make specific and unconditional provision to the above [9.1 to 9.3] effect.

* L/C to be opened with First Class International Bank having Correspondent relationship with ----- Bank (Name of the Banks can be obtained by the buyer from SAIL

For NON CQD Loading Terms:

In addition to the above LC, an amount of USD 2 per MT (Towards dispatch Money) is to be deposited by the buyer to sellers account before vessel acceptance by Seller. This amount shall be reconciled and settled within 15 days from date of finalization of Lay time calculations.

10.0 Force Majeure

10.1 If the Seller and/ or the Buyer be prevented from discharging its or their obligation under this Agreement by reason of arrests or restraints of Princes or Rulers , Government of People , War, Blockade, Revolution, Insurrection, Mobilization, Strikes, Riots, Civil Commotion, Lock Outs , Accidents, Acts of God, Plague or other epidemics, destruction of the materials by fire or flood or other natural calamity, Plant breakdown or on account of any other cause beyond the Seller's or the Buyer's control and 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 times 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 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.

11.0 Legal Interpretation

11.1 This contract shall be governed and construed in accordance with the Laws of India for the time being in force.

12.0 Settlement of Disputes

12.1 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

13.0 QC clauses

13.1 In case of any quality complaint, the buyer will give written notice to seller at the e mail address

mentioned in the contract within 45 days from the date of arrival of vessel at discharge port (duly supported by Bill of entry of vessel) by listing /specifying individual piece wise number, heat/cast number, nature of defect duly supported by photographs, and the processing parameters undertaken by buyer. Also, while submitting the notice/ quality complaint, it must be supported by an Inspection Report from an internationally reputed/accredited Agency/Surveyor, mutually agreed and accepted by and between the Buyer and the Seller at the time of contracting. The notice/ quality complaint should highlight the deviation, if any, from mutually agreed TDC/specifications/end use as mentioned in the contract. In case there is a mismatch between the material as per individual piece wise number, heat/cast number supplied by the seller, and the specifications of the material complained of by the buyer, then the complaint is liable to be rejected out rightly. Quality complaint received after 45 days of receiving goods at discharge port will not be entertained. Buyers shall not use or resell goods under complaint and keep them secure for minimum 30 days from the date of receipt of complaint. Seller shall be given an opportunity by the buyer to inspect the goods under complaint.

13.2 After receiving the notice at 13.1 above, the representative(s) of SAIL may either visit within 30 days of receipt of complaint the port/warehouse/factory as the case may be to inspect the material and or ask buyer to send sample(s) of the material complained of, for further investigation. The buyer should send the sample(s) to the address to be specified by seller at buyers cost.

13.3 The complaint will be entertained on its merits only, and from the buyer who has entered into the contract with SAIL. Complaints by consignee, agents, sub contractor shall not be entertained. Complaints will be settled commercially except in the case of projects undertaken abroad /funded abroad by Public Sector Units / Government of India, where replacement may be given on a case to case basis.. In case it finally emerges that the quality complaint is established and is in order, then the seller shall take into consideration the cost incurred by the buyer in sending the samples

13.4 The decision of the seller regarding the final settlement of the claim shall be final and binding on the buyer.

14.0 Import/ Export License

It shall be the responsibility of the Seller to arrange export license(s), if any, required and it shall be the responsibility of the Buyer to arrange for the import license(s) , if required, in the country into which the materials are intended to be imported.

15.0 General Clause

It is expressly understood and agreed by and between the Buyer and the Seller that the Seller is entering into this Agreement solely on its own behalf and not on behalf of any other person or entity. In particular, it is expressly understood and agreed that the Government of India is not a party to this Agreement and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the Seller is an independent legal entity with power and authority to enter this contract solely in its own behalf under the applicable laws of India and general principles of Contract Law. The Buyer expressly agrees, acknowledges and understands that the Seller is not an agent, representative or delegate of the Government of India. It is further understood and agreed that the Government of India is not and shall not be liable for any acts, omission(s), commission(s), breaches or other wrong(s) arising out of the contract. Accordingly, the Buyer hereby expressly waives, releases and foregoes any and all actions or claims including cross claims, impleader claims or counter claims against the Government of India arising out of

this contract and covenants not to sue the Government of India as to any manner, claim, cause of action or thing whatsoever arising out of or under this Agreement.

16.0 Change in Destination

The contracted cargo has to be taken to the designated station only. Any change in destination shall be made through a formal agreement to this Agreement and on the mutually agreed terms and conditions.

FOR AND ON BEHALF OF THE SELLER

STEEL AUTHORITY OF INDIA LIMITED
INTERNATIONAL TRADE DIVISION
SCOPE MINAR, 17TH FLOOR, CORE-2,
LAXMI NAGAR DISTRICT CENTRE,
DELHI-110092

SIGNATURE:

NAME:

DESIGNATION:

PLACE:

DATE:

FOR AND ON BEHALF OF THE BUYER

M/s

SIGNATURE:

NAME:

DESIGNATION:

PLACE:

DATE: