

FORMAT FOR LETTER OF CREDIT (FOB)

FROM :(NAME * & ADDRESS OF OPENING BANK)

TO :(NAME & ADDRESS OF ADVISING BANK)

(For Shipments from Haldia) STATE BANK OF INDIA- CAG BRANCH KOLKATA
SWIFT CODE SBININBB175(For Shipments from Vizag) STATE BANK OF INDIA OVERSEAS BRANCH VIZAG
SWIFT CODE SBININBB123

40A TYPE OF L/C : IRREVOCABLE

20 L/C Number :

40E APPLICABLE RULES : AS PER LATEST UCPURR VERSION

51A ISSUING BANK :

31C DATE OF ISSUE :

31D DT. & PLACE OF EXPIRY : _____ IN INDIA

50 NAME & ADDRESS OF THE:
APPLICANT59 NAME & ADDRESS OF THE:
(For Shipments from Visakhapatnam)Steel Authority of India Limited,
Central Marketing Organisation,
Branch Transport & Shipping Office,
Habour Approach Road,
Visakhapatnam -530035

(For Shipments from Haldia)

Steel Authority of India Limited,'
Central Marketing Organisation,
Ispat Bhawan, 40 Jawahar Lal Nehru Road,
Kolkata-700071, India32B AMOUNT OF CREDIT IN : As per the contract.
US DOLLARS /EURO/ANY
OTHER FREELY EXCHANGEABLE
CURRENCY (IN FIGURES & WORDS)39A PERCENTAGE CREDIT : AS PER CONTRACT
AMOUNT TOLERANCE41A CREDIT AVAILABLE WITH: ANY BANK IN INDIA
CREDIT AVAILABLE BY : NEGOTIATION

42C DRAFTS : AT SIGHT

* L/C to be opened with First Class International Bank from the list of banks provided by
SAIL

42A DRAFTS TO BE DRAWN ON: ISSUING BANK / Reimbursing Bank as the case may be.

43P PARTIAL SHIPMENT : AS PER CONTRACT

43T TRANSHIPMENT : AS PER CONTRACT

44A SHIPMENT FROM :

44B SHIPMENT TO :

44C LATEST DATE OF SHIPMENT:

45A DESCRIPTION OF GOODS :

- a) Description of Materials
- b) Size (in mm) (except for Pig Iron) and Quantity (in MT)
- c) Specification
- d) Tolerance (except for Pig Iron)
- e) Quantity
- f) Quantity Tolerance
- g) Price per MT (in USD/Euro/any other freely exchangeable currency)

46A DOCUMENTS REQUIRED :

1. Draft to be drawn at sight covering 100% value of Invoice and indicating Documentary Credit No and its date.
2. Beneficiary's Commercial Invoice - one original plus two signed copies covering materials shipped. Invoices will be raised on the basis of (THEORETICAL/ ACTUAL/ DRAFT SURVEY/NET WEIGHT MENTIONED ON THE COILS/SHEETS) Weight.
3. Full set 3/3 original on board ocean or charter party Bills of Lading* (CONGEN) issued to the order of the Shipper /Party X as per contract, notifying applicant/ Party A/B/C as per contract and blank endorsed (in case it is to the order of the shipper) marked "Stowed under deck" further more marked "freight prepaid/freight payable as per charter party/ freight to pay" evidencing shipment from _____ Port, India to _____ Port in _____. Bills of Lading (CONGEN) with remarks

---such as "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 covered area prior to loading" are acceptable

3. Pre- shipment Inspection certificate issued by M/s _____, (herein after referred to as) certifying that The materials were inspected at the load port prior to loading and certifying :

A, Quantity, No of Pieces/ Bundles / Packets (except for Pig Iron) loaded on vessel

B , The materials were loaded on board the vessel without apparent damage and were found to be in good order and condition, as per contract.

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)

---For CRC/CR sheets/ Galvanized coils/ Galvanized sheets/ Packed material remarks 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. Beneficiary's packing list (except for pig iron) indicating details of the materials shipped - 3 copies.

5. Certificate of origin.

6. work test certificate in duplicate issued by the beneficiary and conforming that the material are as per contracted specification

7. Copy of e-mail or Fax from Steel Authority of India Limited, KOLKATA /VIZAG addressed to the opener's FAX No. _____ E mail _____ within SEVEN working days after the on board Bill of Lading (CONGEN) date advising the name of the vessel, Bill of Lading (CONGEN) number and date, materials and quantity, destination ports in _____ (Country).

47A ADDITIONAL CONDITIONS :

1. Ocean freight is payable by the openers over and above the value of this Letter of Credit.
2. Marine Insurance to be covered by the opener.
3. In the event of (a) the failure of the opener to nominate a suitable vessel within 15 days, including lay days , from the date of beneficiary's Notice of Cargo load Readiness of material for shipment (herein after referred to as Sellers Cargo NOR) OR (b) the vessel nominated by the opener and accepted by the beneficiary failing to arrive at _____ port within 15 days including lay days from the date of Sellers Cargo NOR for reasons other than Force Majeure as defined under Clause 10 of the said contract OR (c) the vessel (nominated by the opener and accepted by the beneficiary) being found unsuitable after its arrival at _____ Port as certified by independent marine surveyors, this credit is payable at sight against presentation of beneficiary's draft drawn on ourselves for 100 per cent value of invoice accompanied by the following documents:

a) Beneficiary's commercial invoice in duplicate.

- b) Copy of Beneficiary's Notice of cargo load readiness of material for shipment.
- c) Certificate issued by M/S certifying that the materials were inspected at the storage yard of the beneficiary at _____ (Place) and that the markings are as per requirement of the said contract and that the materials are in good condition and further that the materials and quantity as per the Commercial Invoice are ready for shipment. 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)

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

- d) Beneficiary's declaration that suitable vessel has not been nominated by the opener within 15 days including lay days from the date of NOR OR that the vessel nominated by the opener and accepted by the beneficiary failed to arrive at _____ Port within the agreed lay days for reasons other than Force Majeure as defined in Clause No. 10 of the General Terms and conditions for export of FOB contract OR that the vessel (nominated by the opener and accepted by the beneficiary) being found unsuitable after its arrival as certified by the independent Marine Surveyors (copy of certificate of Marine Surveyors to be presented in such an event) as the case may be.

- f) Beneficiary's declaration that
 - (i) the materials as mentioned in the commercial invoice will be held in custody by the beneficiary at the risk and responsibility of the opener at the storage yard of the beneficiary at Haldia/Vizag Port.
 - (ii) the materials will be covered by tarpaulin at the cost of the opener.
 - (iii) the Materials shall be held by the beneficiary free of ground rent for a period of 15 days from the date of expiry of Seller's Cargo NOR/ Exercise of Red clause by sellers (against documents negotiated under this clause) and for storage extending beyond 15 days from the date of expiry of Seller's Cargo NOR/ Exercise of Red clause by Sellers the cost of holding the materials (ground rent) calculated at the rate of USD 1.00 per metric tonne for every week(s) (7 days) or part thereof shall be paid by the opener to the beneficiary till the date of acceptance of vessel's NOR-
 - (iv) Opener/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.
 - (v) Upon nomination of suitable vessel within reasonable time by the opener for taking delivery of the materials for which payment has been realized by the beneficiary as aforesaid and subject to such vessel arriving at Haldia/Vizag Port within the agreed lay days, the beneficiary shall at his cost deliver FOB (Stowed) as per terms of the said contract the materials for which payment has been realized by the beneficiary as aforesaid.

- 4. Any amendment to the letter of credit without the prior written consent of the beneficiary shall not be taken cognizance of, under this letter of credit.

5. All apparent spelling mistakes/mistakes in LC documents, which do not alter meaning/ specification/ description/ Quantity/ value of goods are acceptable and will not count as a discrepancy.
6. Tolerance of +/- % is allowed on the total quantity and value as well as tolerance of +/- % is allowed on quantity and value of each size is acceptable.
7. TT Reimbursement is allowed at applicant's cost.

71B CHARGES:

All Bank charges incurred outside India including payment Cable charges, reimbursement charges, etc. shall be borne and paid for by the opener. All Bank charges incurred in India shall be borne and paid for by the beneficiary.

48 PERIOD FOR PRESENTATION:

Within 15 days from the date of B/L.

49 CONFIRMATION INSTRUCTIONS:

Paying Bank may add their confirmation to this Letter of Credit at the request and expense of the beneficiary and such confirmation shall also apply to any amendment (s) to this credit.

78 REIMBURSEMENT INSTRUCTIONS:

Upon presentation of documents complying in all respects to Letter of Credit terms, the negotiating bank is authorized to claim on us by SWIFT certifying that all terms and conditions have been complied with and that the relative documents have been forwarded to us by Registered Airmail/ Courier. We undertake to remit within three working days after receipt by us of your swift claim in US Dollars/Euro/any other freely exchangeable currency in accordance with your instructions. This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce Brochure No. 600. This telex/swift may be treated as the operative instrument.