

APPLICATION AND GUARANTEE
FOR ISSUE OF LETTER OF CREDIT

To,
The Asst. Gen. Manager,

STATE BANK OF INDORE

(Foreign Exchange Department)

P.Y. Road Branch, Indore 452 003

Ph : 531826, Fax : 533629, Telex : 0735 6311 PYNB IN

Telegram : INDORE BANK, SWIFT : STININBB015

Dear Sir,

I/ We request you to establish with your Correspondence in _____ through _____

for my / our account by(Air mail / Courier/ Telex)

AN IRREVOCABLE DOCUMENTARY LETTER OF CREDIT as follows.

To,

Dear Sirs,

You are hereby authorised to draw _____

for a sum not exceeding _____ (FOB / CIF/ CNF) _____

(Say _____)

Available by your Drafts (First and Second of Exchange) drawn at Sight / _

For 100 % of the Invoice value. Your Drafts must be accompanied by the following

Documents quoting this credit Number 22/02 _____ dated _____

1. Complete set of Clean, Shipped " On Board " Ocean Bills of Lading / Airway Bill / Post Parcel Receipts dated not later than _____

(Marked " Freight Prepaid " / " Freight Payable at Destination ") made out of Order of State Bank of Indore, P.Y. Road Branch, Indore, 452004.

2. Insurance Policy or Certificate in Duplicate endorsed in Blank, Covering Marine /

Air Insurance as per current institute cargo clauses (F.P.A. / W.A. / All Risks) and Perils as per current institute Strikes/ Riots and Civil Commotion Clauses. War risks as per Institute Clauses for the CIF Value + Ten _____ Percent from Warehouse to Warehouse at _____ with Claims, if any, payable in Mumbai (India) showing the name of the claim paying agent **OR**

A Copy of Cable / Fax / Telex advise sent to the Insurance Company
Viz _____

Containing brief particulars of the consignment with instructions to cover the risk under Policy No / Cover Note No. _____ dated _____

Obtained by the Importers. (Telex/ Fax No _____)

Immediately after shipment.

3. Signed Commercial Invoices in _____ copies quoting import under _____ Invoice to show the unit price of goods covered as _____ per _____.
4. Certificate of _____ Origin in _____ copies issued by the Chamber of Commerce and Industry.
5. Packing / weight List in _____ Copies
6. Quality / Test Certificate in _____ Copies issued by _____
7. Product Literature in _____ Copies.
8. A Copy of Supplier's Letter addressed to the applicants evidencing dispatch of _____ sets of non-negotiable shipping documents direct to applicants and _____ by Registered Airmail / Courier soon after Shipment.
9. A Copy of Cable/ Telex / Fax Advice sent to applicants soon after shipment intimating them the details of shipment such as (i) Letter of Credit No. (ii)

- Invoice Value of Goods(iii) Name of Item & Quantity Shipped (iv) Vessel Name/ Flight No. (v) Bill of Lading / Airway Bill No. & Date (vi) Approximate date and time of Arrival of the relevant vessel / Flight at destination _____
10. Certificate that each package is branded with the following as part of Shipping Marks :
11. Beneficiary's Certificate that the Goods shipped confirm to Purchase Order / Indent No _____ Dated _____ of _____ and that all the terms and conditions thereof have been complied with evidencing shipment of not exceeding _____ from _____ to _____.
- Partial Shipments are Permitted / prohibited. Transshipment Permitted / Prohibited. Negotiating Bank's Discount / Interest Charges for a/c of _____ All Bank Charges outside India are for account of _____
12. Shipment to be effected by Conference line vessel only. Evidence to show that the concerned vessel is a Conference Line vessel is required.

Special Instructions

1. The Documents must be presented for negotiation within 21 days of shipment but within the validity of credit.

Credit Expiry Date : This Credit is irrevocably valid in _____ (Country) and Drafts drawn under the credit must be presented for negotiation not later than _____ (Dated)
Drafts drawn and negotiated under this credit , are to bear the following clause :-

“ Drawn under State Bank of Indore P.Y. Branch, Indore 452 004, Credit No. 22/02 _____ dated _____.

Purchasers are to note the amounts of the drafts separately on the back hereof and this Letter of Credit should accompany the drafts which exhausts the Credit.

The Negotiating Bank must send the documents in two separate sets by Courier / Airmails to STATE BANK OF INDORE, P.Y. Road Branch, Indore 452 004,

Negotiation under this credit is restricted to _____ only.
In Consideration of your opening a Letter of Credit as above. I/ We hereby undertake to accept and pay in due course all drafts within the terms thereof and to take up and pay for all documents negotiated there-under on presentation and in default of my/our so doing you may sell the goods before or after arrival and
We undertake to reimburse you for any short fall that may occur and I/We hereby further undertake forthwith on demand made by you for any short fall that may occur and I/we hereby further undertake forthwith on demand made by in writing to deposit with our obligations hereunder and any securities so deposited with you may be sold

by you on your giving reasonable notice of sale to us and the said sum or the proceeds of sale of security may be appropriated by you in or towards satisfaction of our said obligations and any liability of ours arising out of non-fulfillment thereof.

You are to have a lien on all goods, documents and policies and proceeds thereof for any obligations or liabilities present or future incurred by you under or arising out of this credits.

In case you open a Credit at our request in a currency in which you do not maintain an account and provide reimbursement in another currency of your choice we are agreeable to make good of loss if any you may incur in such conversion.

I/We approve of the negotiation of drafts drawn under this credit being confined to your Branches / Correspondents.

The relative shipping documents have to be surrendered to me /us against payment / acceptance.

The Transmission of instructions under the above credit and the forwarding of documents are entirely at my / our risk. You are not to incur any liability beyond ensuring that the drafts and documents purport to comply with the terms and conditions of this credit.

If at any time and from time to time hereafter and at our request, you enhance the amount of the letter of credit or amend any of the terms thereof (including extension of the validity of the credit for shipment and or negotiation of documents) then notwithstanding the amount and the term specified in this application, our guarantee shall cover and be deemed to cover the entire amount of the enhanced Letter of Credit issued by you and any other amendments affected there-to and our liability will be for the entire amount of letter of credit so enhanced and of amended at our request, we – shall continue to be bound by all other terms and conditions of the application and guarantee, notwithstanding such enhancement or amendment from time to time as you may make at our request, in the valued and terms of the letter of credit.

This letter of credit is “ Subject to the Uniform Customs And Practices For Documentary Credit [1993 revision] ” International Chamber of Commerce Publication Brochure Number 500

The Bills under the LC will be retired by us within 10 days of receipt at the branch or on due date of the bill. In case it is not done, we authorise you to convert the foreign currency under the bill in respect of this LC to Indian Rupees on the 10th day of receipt of documents at your branch or on the due date at the prevailing BC selling rate for the day / contracted rate.

We undertake to submit the proof of imports within 3 months from the date of remittance.

We confirm that the Goods being imported are covered under _____

Date _____

Yours Faithfully

Place _____

(Stamp & Signature of Applicant)

(Stamp & Signature of Applicant)