

TERMS AND CONDITIONS

1. To accept or pay upon presentation all drafts pursuant thereto.
2. To pay at maturity/on demand in legal tender at your office all drafts drawn under this letter of credit, together with interest at the rate as fixed by you and being subject to alteration from time to time as from the date of negotiation to the date of payment, together with all expenses incurred by you in connection with the said drafts or the relative merchandise. The foreign currency amount of the value of the documents will be converted into local currency at the time the documents are processed upon their receipt by you at the rate of exchange prevailing on the date of negotiation abroad.
3. To pay on demand your commission which shall be determined by you from time to time, on the full amount of the credit.
4. We hereby irrevocably authorize you, if you think fit, to fix at any moment decided upon by you for us and on our behalf a ready of forward exchange contract in Foreign currency to the extent of the Amount of the Letter of Credit by which you contract to sell to us at a rate fixed by you, the said Foreign exchange and such contracts shall have the same effect as if We had ourselves entered into the said contract with you. In the event of your fixing such exchange, retirement of the documents referred to in Clause 2 hereof shall be done at the rate fixed by you in exercise to the authority hereby given in your favour. This authority forms an essential part of letter of credit Agreement entered into by us with you today.
5. Until the payment of every indebtedness and liability absolutely or contingent which now is or hereafter may become due owing by the undersigned to you on any transactions now or hereafter had with you, including transaction under other Letters of Credit, the undersigned agree that the title and ownership of all goods shipped under or in connection with the said credit or in anyway relating thereto whether or not released to the undersigned against trust or bailee receipt and/or of the proceeds of such goods and of all bills of lading, policies or certificates of Insurance or other documents given thereof, shall be and remain with you, the undersigned hereby give you full power and authority at your discretion, by yourselves or through agents at any time, to have and take possession thereof and of all policies, certificates of insurance thereon, and proceeds of such policies and certificates, and to hold and/or collect the same or, under the terms expressed below, to dispose them of at any time and irrespective of the maturity of the drafts or acceptances under the credit.
6. In the absence of written instructions given by the undersigned expressly to the contrary, the undersigned authorize you and your correspondents to receive and accept as "bills of lading" under the said credit, any documents issued by or on behalf of any carrier including lighterage receipt, which acknowledge receipt of goods for transportation, whatever the specific provision of such documents to be regarded as the date of bills of lading and/or of shipment within the terms of the said credit, and the undersigned authorize you or your correspondents to accept as sufficiently evidencing "Insurance" under the said credit either policies or certificates of such insurance.
7. We assume all risks of acts of any person using the said credits who are hereby accepted as the agents of the undersigned, together with all responsibility of the character, kind, quality, quantity, delivery or existence of the merchandise purporting to be represented by any document and/or for any difference of character, quality, or quantity of merchandise shipped under this credit from that expressed in any invoice accompanying any of said drafts and/or for the validity, genuineness, sufficiency from or correctness of any documents, even if such documents should, in fact, prove to be in any or all aspects incorrect, defective, irregular, fraudulent or forged and/or for time, place manner or orders in which shipment is made and/or for partial or incomplete shipment, and/or for failure or omission to ship any or all of the merchandise, referred to in the credit and/or for the character, adequacy, validity or genuineness of any insurance, or policy or certificate of Insurance or the solvency or responsibility of any insurer, or any other risk connected with insurance and/or for any delay, default, fraud, or deviation from instructions of the shipper or any one else in connection with the merchandise or the shipping or other documents with respect thereto and/or for delay in arrival or failure to arrive either of the merchandise or of any of the said documents and/or for any breach of contract between the shippers or venders and we hereby agree not to claim from you damages or hold you in any manner responsible for any delay oversight or mistake or negligence on your part or on the part of any your agent or sub-agent in issuing the credit or in complying with our instructions or otherwise in relation to the applications of the said credit, and we will hold you harmless from all loss or damage in respect of any such matters and from any and all damage and loss, whatsoever suffered by you by reason of any and all action taken by you or your correspondent in good faith, in furtherance of your above request or due to errors, omissions, interruptions or delays in transmission or delivery of any and all messages by mail, cable, telegraph or wireless, whether or not the same be in cipher.
8. We agree to be caused to procure promptly the necessary import Sub-Authorisation for the said merchandise and still keep the same adequately covered by the policies of fire, marine and war-risk insurance, in companies satisfactory to you, assigning the Policies or Certificates of Insurance to you or making the loss or adjustment if any, possible, to you at your option.
9. We agree to give you on demand any further security you may require and further agree that any and all other funds, credit instruments, property and securities and proceeds thereof including also any and all collection items and proceeds thereof now or hereafter handed to you or for any purpose left in your possession by us or other account, or at their disposal, for transit to or from you by mail or carrier, for any of the said purpose, are hereby made security for this obligation, and also for any and all other obligation, and also for any and all other obligations, and/or liabilities absolute or contingent, due or not due, which are or may at any time be owing by us to you and may be held or disposed of as you may see fit and applied towards payment of any and all such obligations and liabilities, all of which in the event of default by us in any part thereof, or of our bankruptcy, receivership or general assignment, shall subject to your option, forthwith become due and payable and we hereby authorize you, if any obligation covered by this instrument or any other indebtedness due from us to you shall not be punctually met forthwith without further demand or notice or advertisement of any kinds all of which are hereby expressly waived, to sell or otherwise dispose of the whole or any part of the said funds, credits, instruments, property and securities, arrived and/or to arrive at any broker's exchange or by public or private sale or otherwise, at your option, with permission to yourselves to recover from the purchasers in whole or in part, without accountability save for the purchase price and free from any right of redemption, which is hereby waived and released and to apply the net proceeds thereof against any and all our obligations or liabilities to you, however arising.
10. The receipt by you at any time of other collateral of whatsoever nature, shall not be deemed a waiver of any of your rights or powers relating to any collateral which you hold at the time of receipt.
11. This obligation is to continue in force notwithstanding any change in memberships of our partnerships whether arising from the death or retirement of one or more partners or partner or the accession of one or more new partner or partners.
12. This letter of credit can be revoked or altered only with the consent of all parties interested.
13. Irrespective of the Part to which Shipments are affected we shall retire the bills on demand of payment.
14. The documents accepted in connection with the credit may be those which are generally acceptable in accordance with the laws customs and usages at the place of negotiation.
15. This will also constitute an agreement between us and your correspondent whom you employ (as you are at liberty to do) for the purpose and in connection with this credit agreement.
16. We authorize you to debit our account with all your charges, on account of this credit, including amendments, extensions of this credit, as well as charges levied by your overseas correspondents or Agents. We also authorize you to make payment of the premium to the Insurance Company concerned by debiting our account.
17. Please debit our a/c with all commission, expenses and Insurance premiums.

We guarantee due compliance with the terms of the above credit agreement to the bank issuing, advising and negotiating drafts thereunder and to hold the said company harmless from all loss or damage in respect of any matters and from any and all damage or loss whatsoever suffered by the said company by reason of any action taken under the above credit agreement.

Note: If any special documents (over and above what is usually termed "shipping documents") are required such as health, inspection, analysis or origin certificate etc., or any special or unusual kind of class of insurance. Such documents should always be specially mentioned and included in the application.

