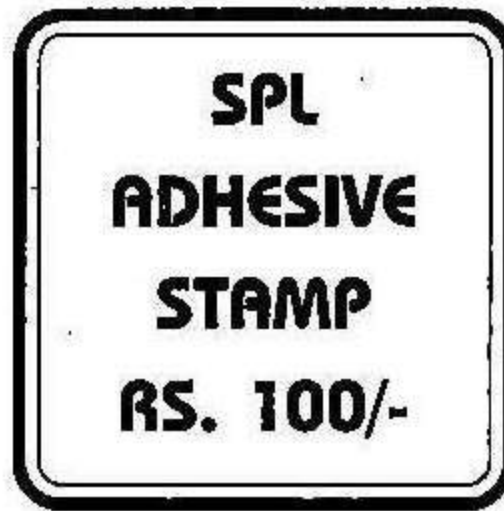


# Proposal for Establishment of Irrevocable Letter of Credit



(To be stamped as an Agreement Not to be attested)

FD - Swift-700	APPLICATION & GUARANTEE FOR ISSUE OF DOCUMENTARY CREDIT
----------------	---

The Assistant General Manager  
**STATE BANK OF INDIA** *COMMERCIAL BRANCH*  
**Overseas Branch** # 241A, 2nd & 3rd Floor *HYD* IMPORT LICENCE NO. / FREE IMPORTABLE  
 Rajala Center, Road No. 36 Jubilee Hills, Hyd- 33. *HYD ERABAD*

IMPORTER'S CODE NO.

Please Establish with your Branch /  
 Correspondents in \_\_\_\_\_ A  
 Documentary Credit as per details below :

20+	L/C No. :
31C	Date :

40A +	Type of L/C	[ ] Irrevocable : [ ] Irrevocable & Transferable			
31D +	Date & Place of expiry	Date : (YYMMDD)		Place :	
50+	Name & Address of the Applicant				
59+	Name and Address of the Beneficiary				
32B	Currency & Amount of Credit (in Figures & Words)				
39 A.B.C.	Variations in L/C Amt of Additional Amts Permitted				
41a +	Credit Available with				
	Credit Available by				
42C	Usance of the Drafts	[ ] Payment; [ ] Negotiation; [ ] Acceptance; [ ] Def Payment,			
42a	Drafts to be Drawn on	[ ] At Sight; [ ] (Specify)			
42P	Deferred payment, if any				
43P	Partial Shipments	[ ] Permitted :	43T	Transhipments	[ ] Permitted :
		[ ] Prohibited :			[ ] Prohibited :
44A	Shipment from				
44C	Last Shipment Date				
45A	Description of Goods :				

46A Documents Required :

- ( ) Drafts for \_\_\_\_\_ % of Invoice Value
- ( ) Complete set of clean on board bills of lading made to order and blank endorsed marked Freight pre-paid / to pay, notify applicant and State Bank of India, Overseas Branch Hyderabad Evidencing shipment of Goods as described above.
- ( ) Airway bill showing the above goods consigned to State Bank of India, Overseas Branch, Hyderabad a/c \_\_\_\_\_ nitify applicant
- ( ) Certificate of \_\_\_\_\_ origin issued by \_\_\_\_\_
- ( ) Insurance Policies / Certificates in Duplicate covering marine and war risks and also SRCC and malicious  
 Damage for the for C.I.F. value plus \_\_\_\_\_ % (or)
- ( ) Insurance policies / Certificates in Duplicate covering marine insurance as per institute cargo clause  
 (F.P.A. / W.A. / all risks) and perils as per institute SRCC clauses. War risks as per institute clause, cover for C.I.F. Value plus %.

47A Additional Conditions :

Import is cover under OGL/Import Licence No.  
 All Documents must Mentioned our L/C Number  
 All Transport Documents/Invoices must Mention Import Licence Details.

71B Specify if any Charges are to Beneficiary's A/c.	( ) All Charges; ( ) (Specify)
48 Documents to be presented	within _____ Days from the Date of
49 Confirmation Instructions	( ) Confirm ( ) Without (Without Confirmation)
57a Credit to be Advised to the Beneficiary Through (Bank)	

Entered by \_\_\_\_\_

Verified by \_\_\_\_\_

Authorised by \_\_\_\_\_

+ NOTE : THIS INFORMATION IS MANDATORY

In consideration of your opening a Letter of Credit as above, I/We hereby undertake to accept and pay in due course all drafts drawn within the terms thereof, and/or 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 I/We undertake to reimburse you for any shortfall that may occur and I/We hereby further undertake forthwith on demand made by you in writing to deposit with you such sum or security or further sum of security as you may from time to time specify as security for the due fulfillment of our obligations hereunder and any security so deposited with you may be sold by you on your giving reasonable notice of sale to us and the said sum of the proceeds of sale of the security may be appropriated by you in or towards satisfaction of our said obligations and any liability of ours arising out of the nonfulfillment thereof.

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

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

The relative shipping documents have to be surrendered to me/us against\* payment/\* Acceptance.

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 of the terms 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 effected thereto and our liability will be for the entire amount of the letter of credit to be enhanced and/or amended at our request. We shall continue to be bound by all the other terms and conditions of the application and guarantee notwithstanding such enhancement or amendments from time to time as you may make at our request in the value and terms of the letter or credit.

I/We hereby agree and declare that in the event of my/our failing to retire the bills drawn under L/C on due dates in case of usance bills within 10 days from the date of receipt of documents by you in case of sight bills, you shall be at liberty to crystallise the foreign currency rupee liability thereunder on the due date or on the expiry of the 10th day as the case may be and convert the same to rupees at the prevailing bill selling rate or at the contract rate whichever applicable.

I/We undertake to reimburse to you on demand the rupee equivalent so determined together with interest thereon at normal rate from the date of negotiation to the date of crystallisation and thereafter at penal rate as applicable thereto.

You would book forward contracts if I/We decide to cover the fluctuations in the exchange rates. I/We undertake to book such forward contracts with you only in as much as the booking of forward contracts forms part of the arrangement by you under the L/C. If I/We book forward contracts with other Bank's against this letter of credit. I/We am/are liable to pay to you 1/4% commission in lieu of exchange in addition to swap cost and interest from the date of negotiation at the foreign center till the date of credit of proceeds in your nostro account.

In case I/We do not book the forward contract, I/We undertake to buy the relative foreign exchange in connection with retirement of the bills/documents etc., under the letter of credit from you at the ruling rate of exchange. In case foreign exchange in connection with retirement of the bills/documents etc., is bought commission in lieu of exchange in addition to swap cost and interest from the date of negotiation at the foreign center till the date of credit or proceeds in your nostro account.

Date :

Place :

Signature of the Applicant

# Proposal for Establishment of Irrevocable Letter of Credit

Liability : Rs.

Outstandings :

Proposed Credit :

Total :

Margin :

Limits :

Sanctioned by :

Recommendations :

Recommended

Sanctioned / Approved

Dy. Manager / Manager (Credit)

Chief Manager / Manager (Credit)  
Asst. General Manager

Date :

Margin Money : \_\_\_\_\_

Commission : \_\_\_\_\_

Postage : \_\_\_\_\_

Cost of Stamps : \_\_\_\_\_

Total : \_\_\_\_\_

## STATE BANK OF INDIA

Overseas Branch (1921)  
# 241/A, 2nd & 3rd Floor  
Rajala Center, Road No. 36  
Jubilee Hills, Hyderabad - 500 033.