



**APPLICATION AND AGREEMENT FOR  
LETTER OF CREDIT  
STATE BANK OF INDIA (CANADA)**

ROYAL BANK PLAZA, NORTH TOWER TEL: 416-865-0414 \_\_\_\_\_ 20\_\_\_\_\_  
SUITE 1600, TORONTO, ONT, and M5J 2J2 FAX: 416-865-1735

FOR BANK USE ONLY

PLEASE ISSUE AN IRREVOCABLE DOCUMENTARY CREDIT  
BENEFICIARY

IN FAVOUR OF: (Full Name and Address)

ADVISING BANK (Do not complete unless requested by Beneficiary)

**APPLICANT**

FOR ACCOUNT OF: (Full Name and Address)

CURRENCY AND AMOUNT:

C.I.F.  F.O.B.  C&F.

EXPIRY DATE:

PLACE:

SIGHT  SIGHT

AVAILABLE BY DRAFT AT  \_\_\_\_\_ DAYS >  FROM DATE OF SHIPMENT (TERM OF DRAFT HAS NO BEARING ON EXPIRY DATE OF CREDIT) FOR \_\_\_\_\_ OF INVOICE VALUE DRAWN ON

DOCUMENTS REQUIRED: (PLEASE INDICATE BY "X")

- FULL SET OF CLEAN ON BOARD OCEAN BILLS OF LADING CONSIGNED TO ORDER & BLANK ENDORSED (FOR SEA SHIPMENT)
- ORIGINAL (AIRWAYBILL/FORWARDERS CARGO RECEIPT) CONSIGNED TO STATE BANK OF INDIA (CANADA) TORONTO (FOR AIR SHIPMENT)

DATED NOT LATER THAN \_\_\_\_\_ MARKED

FREIGHT PREPAID

FREIGHT COLLECT

AND NOTIFY \_\_\_\_\_

- CERTIFICATE OF ORIGIN/FORM A CERTIFIED BY CHAMBER OF COMMERCE OR COMPETENT AUTHORITY
- CERTIFIED INVOICES IN TRIPLICATE FOR \_\_\_\_\_ CUSTOMS PURPOSES  SIGNED COMMERCIAL INVOICE (in triplicate)  
(COUNTRY OF IMPORT)
- INSURANCE POLICY /CERTIFICATE IN DUPLICATE COVERING MARINE/AIRBORNE INSURANCE AS PER INSTITUTE CARGO CLAUSES (A) AND PERILS AS PER INSTITUTE STRIKES, RIOTS AND CIVIL COMMOTION CLAUSES, AND WAR RISK AS PER INSTITUTE CLAUSES, COVER FOR INVOICE VALUE PLUS \_\_\_\_\_ PCT WITH CLAIMS PAYABLE IN CANADA AND COVERAGE FROM SELLERS WAREHOUSE UPTO BUYERS WAREHOUSE IN TORONTO.
- OTHER DOCUMENTS \_\_\_\_\_
- INSURANCE TO BE EFFECTED BY OURSELVES, BENEFICIARY TO FAX DETAILS OF SHIPMENT TO OPENERS IMMEDIATELY ON SHIPMENT AND A CERTIFICATE TO THIS EFFECT TO BE PRESENTED WITH DOCUMENTS.
- DESCRIPTION OF GOODS (GIVE BRIEF DETAILS): \_\_\_\_\_

SHIPMENT FROM _____	TO INDICATE:	PERMITTED (X)	PROHIBITED (X)
SHIPMENT TO _____	CONTAINER SHIPMENT	<input type="checkbox"/>	OR <input type="checkbox"/>
	PARTIAL SHIPMENT	<input type="checkbox"/>	OR <input type="checkbox"/>
SPECIAL INSTRUCTIONS IF ANY _____	TRANSHIPMENT	<input type="checkbox"/>	OR <input type="checkbox"/>

ALL BANKING CHARGES OTHER THAN SBI© ARE FOR : PL CHECK  BENEFICIARY  APPLICANT  
DOCUMENTS MUST BE PRESENTED TO NEGOTIATING BANK NOT LATER THAN \_\_\_\_\_ DAYS AFTER DATE OF SHIPPING  
COMPANY CONTACT TEL# & ACCOUNT TO BE DEBITED \_\_\_\_\_

THE CUSTOMER HEREBY ACKNOWLEDGES, AGREES AND RATIFIES THE TERMS AND CONDITIONS SETOUT ON PAGE 2. INCASE OF INCORPORATED COMPANIES AND OTHER ORGANIZATIONS THIS FORM MUST BE SIGNED BY PROPERLY AUTHORIZED OFFICIALS.

TEL # \_\_\_\_\_ FAX # \_\_\_\_\_ SIGNATURE OF CUSTOMER \_\_\_\_\_

**EXCEPT AS OTHERWISE EXPRESSLY STATED, THIS DOCUMENTARY CREDIT IS SUBJECT TO UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500**

In consideration of the issue by STATE BANK OF INDIA (CANADA) (hereinafter called the "Bank") at the request of the person(s) whose signature(s) appears on the face hereof (hereinafter collectively called the "customers", their liabilities herein being joint and several) of a letter of credit (hereinafter called the "Credit", the terms and conditions of which are agreed to by the customer and are set forth on page 1 hereof and subject to modifications, in the Credit which may be made by the Bank from time to time between the date of signing of the Application and the date of issuance of the Credit, the Customer covenants and agrees with the Bank as follows:

1. To provide for all bills drawn under the Credit by payment of the amounts thereof to the Branch of the Bank to which this Application is addressed as follows:
  - (a) a bill drawn in the currency of the place of issue of the Credit is to be provided for by payment in that currency
  - (b) a bill drawn in a foreign currency is to be provided for by payment in the currency of the place of issue of the Credit at the Bank's current rate of exchange for cable transfers in such foreign currency to the place at which the bill is payable or by bankers' demand draft approved by the Bank in such foreign currency;
  - (c) payment of a sight bill is to be made as above upon demand by the Bank, together with interest from the date of payment by the Bank at the Bank's prevailing rate of interest.
  - (d) Payment of a bill other than a sight bill is to be made as above at least one clear business day prior to maturity, provided, however, that if payment is made by bankers' demand draft it must be in the hands of the Bank in time to reach the place at which the bill is payable in the ordinary course of post at least one clear business day prior to maturity.
2. To pay to the Bank on demand interest at the Bank's prevailing rate of interest on all overdue payments and the Bank's prevailing fees and charges for issuing the Credit and effecting payment of bills drawn under the Credit or making amendments in the Credit at the request of the Customer, together with all costs, charges and expenses paid or incurred by the Bank in connection with the Credit or under the authority of this agreement and interest thereon.
3. To give the Bank from time to time security by way of bills of lading, warehouse receipts and any other security required by the Bank covering all of the property which may be purchased through the use of the Credit (hereinafter called the goods)
4. To insure the goods and keep them insured or cause them to be insured and kept insured, against all risks, including war risks, in companies and by means of policies satisfactory to the Bank, the loss in every case to be payable to the Bank and the policies of all certificates of insurance to be delivered to it. Should any claim arise under any insurance the Bank is authorized to recover the full amount thereof from the insurers and to give a valid receipt on behalf of the Customer and to apply the full amount thereof as if the same represented the proceeds of sale of any goods sold by the Bank under the power contained in Clause 11 below.
5. That the Bank shall have the absolute right and title to and the unqualified right to the possession and disposal of the goods whether or not released to the customer on trust or bailee receipt or otherwise and all shipping documents, warehouse receipts, policies or certificates of insurance and other documents accompanying or relative to bills drawn under the Credit and the proceeds of each and all of the foregoing and all the rights of the Customer as unpaid sellers, until such time as all the obligations and liabilities at any time incurred by the Customer to the Bank under or with reference to the Credit or this agreement as well as all other obligations and liabilities to the Bank heretofore or hereto after incurred by the customer (all of the aforesaid obligations and liabilities being hereinafter called the "obligations and liabilities") have been fulfilled and paid, the whole being hereby assigned and pledged to the Bank as collateral security for the fulfillment and payment of the obligations and liabilities.
6. To give the Bank from time to time whenever requested by it additional security, satisfactory to it in nature and amount, for the obligations and liabilities, and the Bank may hold all property of any kind belonging to the customer at any time in possession of the Bank or under its control as security for all the obligations and liabilities.
7. That this Credit is subject to all laws, customs and regulations, which may be in force in any place of negotiation or payment thereof.
8. To obtain promptly all necessary permission and licenses in respect of the shipping, export and import of goods and to comply with all foreign and domestic governmental requirements with regard thereto, the whole exoneration of the Bank, and to deliver to the Bank such certificates in respect thereof as it may require from time to time.
9. That all users of the Credit shall be deemed to be agents of the customer, and that neither nor its agents or correspondents shall be responsible for the existence, nature, condition, quality, weight, quantity or value of the goods, or the packing, shipment, export, import, handling or storage thereof, or the safety or preservation thereof at any time and that neither the Bank nor its agents or correspondents shall be liable for any loss resulting from the total or partial destruction of or damage to or deterioration or fall in value of the goods, or from the inadequacy or invalidity of any documents or insurance, or from the default or error in or misinterpretation of or default or delay in the sending, transmission, arrival or delivery of any message, whether in cipher or not, by post, telegraph, cable, wireless or otherwise and that the liability of the customer to the Bank in any way lessened or effected if any bill or document accepted, paid or acted upon by the Bank or its agents or correspondents should be in any or all respects invalid, insufficient, fraudulent or forged if any bill does not bear a reference or sufficient reference to the Credit or if no note thereof is made on the Credit. The Bank shall not be liable for any loss, damage or delay, howsoever caused, which is not directly due to the negligence or the fault of its own officers, servants or agents.
10. That in the event of failure to fulfill or meet at maturity any of the obligations and liabilities or if the customer suspends payment or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors or becomes subject to the provisions of any bankruptcy or insolvency or winding up legislation, whether proceedings there under be taken or not, or if proceedings be taken against the customer for the appointment of a receiver or liquidator, or if any attachment be issued against any property of the customer, then any and all of the obligations and liabilities shall at the option of the Bank then or thereafter exercised become and be immediately due and payable without notice or demand.
11. That whenever the Bank may in its discretion deem it necessary for its protection, it may, without regard to the maturity of any of the obligations and liabilities, without advertisement and without notice or demand to the Customer, sell by public or private sale or realize in such other manner as to the Bank seems best all or any of the goods, before or after arrival and whether or not released to the Customer on trust or bailee receipt or otherwise and all shipping documents, warehouse receipts, policies or certificates of insurance and other documents accompanying or relevant to bills drawn under the credit and all or any other security and all or any property in its possession or control upon such terms and conditions and for such price in money or other consideration as the Bank may seem fit with the right to the Bank to buy all or any thereof at any sale on a stock or other exchange or other public sale, free from all rights or equities of redemption which are hereby waived and released that any monies received by the Bank as proceeds of any such realization, after deduction of all fees and expenses in connection therewith which, with interest, shall be borne by the Customer, shall be applied against the obligations and liabilities as the Bank may seem fit and that any monies at Credit of the Customer may be so applied, and the Customer undertakes to facilitate any such sale or disposal by executing such documents as may from time to time be necessary or desirable to vest the proceeds or the goods in the Bank or its transferee or to effect delivery of the same as the Bank may require and by doing all such things as may from time to time be necessary or expedient.
12. That in case of any renewal or extension of the Credit or of any bills drawn thereunder, any increase in the amount of the Credit of any modification in any of its terms, all obligations of the Customer under this agreement shall subsist and apply to and in respect of such bills and the Credit so renewed, extended, increased or modified.
13. That this agreement and the rights and obligations hereunder shall be deemed to form part of the Credit as if written therein.
14. That this agreement and the obligations hereunder shall continue in force and apply notwithstanding any change for any cause or in any manner whatsoever in the composition or membership of any firm which is a party hereto or maybe a user of the Credit, and shall be binding upon the Customer and its heirs, executors, administrators, successors and assigns and shall enure to the benefits of the Bank and its successors and assigns.

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SIGNATURE OF CUSTOMER