

# APPLICATION FOR DOCUMENTARY CREDIT



**Indian Overseas Bank**  
64 CECIL STREET, IOB BUILDING  
SINGAPORE 049711

Name: .....  
Address: .....  
.....  
Tel. No: ..... Customer No: .....

Senior Manager's Approval

Credit No.

Dear Sirs

Date: .....

I/We request and authorise you to open by **SWIFT/COURIER** the following irrevocable without recourse to the beneficiary, credit in favour of .....

.....

.....

to the extent of .....  
(specify currency and amount in words and figures)

expiring in ..... On .....(inclusive) and available  
(Place)

against their drafts **AT** .....**SIGHT**  
to be drawn on yourselves for 100%/.....% of the invoice value of the merchandise

**MERCHANDISE (SPECIFY COMMODITY, QUANTITY AND PRICE PER UNIT, IF ANY)**

.....

.....

.....

**INCOTERMS: FOB/CFR/CIF/.....**

**Shipment from** : ..... **To** : .....  
(place of taking in charge) (final destination)

Port of loading: .....  
(if different from place of taking in charge)

Port of discharge: .....  
(If different from final destination)

**Last date for shipment:** .....

**Transhipment** ALLOWED/NOT ALLOWED **Partshipment** ALLOWED/NOT ALLOWED

Period of presentaion of documents for negotiation: ..... days from the date of shipment

**DOCUMENTS REQUIRED** : indicated by mark **X** below

Signed commercial invoices in .....

Full set of clean shipped on board Bill of Lading made out to the order of Indian Overseas Bank, Singapore or 'to order', blank endorsed and marked "Freight prepaid/ Freight payable at destination", specifying LC number and date and notify Opening Bank and Applicant and other parties:

.....

.....

.....



To

**Indian Overseas Bank**

64 CECIL STREET, IOB BUILDING  
SINGAPORE 049711

Letter of Credit No. .... For .....

In consideration of your opening this credit we hereby agree:—

1. That you are hereby authorised to accept and/or pay all drafts drawn upon me/us/you pursuant hereto and accept the documents above described hereafter referred to as the said documents.
2. That we engage ourselves to provide you with cash funds to meet such drafts at or before maturity as you may require.
3. That you are hereby authorised to debit without previous notice to us the amounts of any payments made by you pursuant hereto and or the amount of any drafts accepted by you at the time of such acceptance or before maturity to our current account with you.
4. To accept upon presentation and pay at maturity all drafts drawn on us pursuant hereto or drafts drawn upon us by you for settlement of the payment based upon the letter of credit or promissory notes made by us in compliance with your request.
5. That the said Documents and the merchandise covered thereby (Fully insured) shall be held by you as collateral security for the repayment of the amount of all drafts drawn upon me/us/you pursuant hereto together with interest, commission and all charges and for the due acceptance and payments of drafts drawn hereunder.
6. That you have full discretionary power upon arrival of the goods at our expense risk and responsibility to have them warehoused in your name by employing clearing agents or other agents and insured against fire and burglary but without obligation upon you to so warehouse and insure and you will be in no way responsible for any loss or damage entitled through your omission so to warehouse and in the event of our non-acceptance of any drafts drawn upon as pursuant hereto or our failing to repay on demand all monies due by us to you from time to time hereunder or in case you deem the goods subject to the drafts will considerably decrease in price then without prejudice to any other rights or remedies to which you may be entitled you are hereby authorised and given full discretionary power without notice to or further consent from us or any other person interested pledge and/or sell the said goods either before or after arrival at destination and by public auction/private sale in one or more lots in such manner or at such times as you think fit and after deducting all expenses including commission connected therewith to apply the net proceeds of any such sale in or towards the discharge of the monies due from us to you and we undertake to pay you on demand the amount of any deficiency remaining after such sale together with us to you and we undertake to pay you on demand the amount of any deficiency remaining after such sale together with all usual commission charges and any other expenses whatsoever and interest as may be due.
7. That insurance shall be effected on the shipments to the full value thereof, such insurance to be made available for your benefit by the deposit of the policies or certificate of insurance and in case of default your bank is at liberty to effect insurance thereon and the premium and expenses connected therewith we engage to repay. Such insurance shall be effected in our joint names by an insurance company to be approved by you and, in the event of loss, the insurance monies shall be paid to you and your receipt shall be a good discharge therefore.
8. That in connection with clauses 6 & 7 and generally for the purposes of implementing and realising your security we undertake to sign, obtain, execute and/or deliver any documents, deeds, licences, clearances or instruments which you may require.
9. It is understood that our engagement to provide funds and to indemnify you generally shall continue in force notwithstanding any changes in the individuals composing the respective firms or in the powers granted by the respective companies.
10. That is at your sole discretion to claim payment of all drafts drawn pursuant hereto at your B.C. selling rate on the date payment is due from us unless exchange rate has been fixed by you earlier, either (a) in exercise of your option herein referred to or (b) under our exchange contracts with you, or at any official rate prescribed for such Bills from time to time and also that it is at your sole option to fix the rate of exchange at any time during the currency of the credit or at any time after receipt of drafts negotiated under the credit as you may deem expedient.
11. To pay (i) Your commission at your rates for opening the letter of credit.  
(ii) Interest on the drafts negotiated at your prevailing rate(s) from the date of drafts until the approximate date of proceeds reaching your reimbursing correspondents and in case of payment before maturity of usance drafts, waiver of any interest from the date of payment till the maturity date being optional on your part.  
(iii) All charges, obligations and liabilities of any nature incurred by you or your correspondents/branches under or in connection with this credit.

12. That on no account shall any claim be made against the bank after delivery of the documents to us and/or retirement of the draft(s) by us.
13. That we open this credit entirely at our own risks and will honour all drafts presented even should the goods not arrive or be refused landing through any act of war or restriction imposed by government ordinance.
14. That the Transmission of instruction under the above credit and the forwarding of documents are entirely at our risk.
15. That we undertake to fulfil all formalities prescribed by the relevant authorities from time to time.
16. To pay a cash margin of not less than       % and such additional margin as demanded in future.
17. That you or your correspondent shall not be held responsible for genuineness or regularity of drafts and documents that may be negotiated under the credit and that we not only assume entire responsibility for all that you or your correspondents may do based upon the letter of credit when the beneficiary thereof applies to you or your correspondents for the negotiation of a documentary bill of exchange in accordance with the provisions stipulated in such letter of credit but shall also make no objection to variations from provisions of the letter of credit which you or your correspondents made at your or their discretion to conform to local agreements in respects of the handling of exchange business of the place of the negotiation or commercial customs and practices thereof in accordance with the surrounding circumstances without notifying me or us.
18. That the bills of lading themselves need only contain a general description of the relative goods and it will be sufficient if documents tendered under this credit taken as a whole contain the description required by this credit and that no responsibility is to attach to you or your correspondents as to the documents beyond seeing that they purport to be in order.
19. To hold you and your correspondents/branches harmless in respect if any loss or damage that may arise in consequence of error or delay in transmission of your or your correspondents message or misinterpretation thereof damage to merchandise shipped or error relating thereto deficiency or defect therein or in the said documents and generally from any cause beyond your control.
20. That the Bank shall not be answerable or liable for any damage arising out of shortage, theft, pilferage, deterioration depreciation and other causes which the goods may suffer at the time of storages or releases or while in its possession or custody or in the possession or custody of its employees, Agents including clearing Agents, whether by accidents or wilful wrong or fraud and that no responsibility of any kind shall attach to the Bank in respect of non/wrong delivery of the goods by clearing or other Agents/Employees of the Bank.
21. That the rights and powers conferred by this agreement are in addition and without prejudice to any other securities you may now or hereafter hold for our account.
22. That this agreement and all contracts arising out of it is and are to be constructed according to the law of the place where this credit is applied for.
23. The credit shall be governed by the "Uniform Customs and Practice for Documentary Credits - 2007 revision" fixed by the International Chamber of Commerce, under ICC Publication no. 600.
24. It is understood that in the absence of our fixing an exchange contract with you to cover this Credit, the retail rate for the relative bill(s) will be the rate of exchange ruling on the date of receipt by you of the relative documents.

Authorised Signature

Guarantee

In consideration of your issuing the letter of credit, I/We jointly and severally guarantee the due performance of the promises, agreements and undertakings contained in the above application and agreement including extensions, renewals, renovations and/or modifications and in the event of default, promise to make good and pay in demand any loss or damage suffered by you, waiving hereby expressly any defence that may be interposed to any claim or action thereon or hereon especially also as to the order to which you shall choose to reimburse yourselves.

Guarantor's Signature