

**STC' S TERMS AND CONDITIONS FOR IMPORT AND SUPPLY OF TECHNICAL
GRADE UREA (PRILLED/GRANULAR) ON HIGH SEA SALES**

The State Trading Corporation of India Limited will facilitate Import of "Technical Grade Urea for Industrial use only". Broadly, the procedure to be followed will be as under:

1. The Actual buyer will obtain prior permission from Department of Fertilizers, Government of India to import a certain quantity of Technical Grade Urea. If the application for permission to DOF is not yet submitted by the actual buyer/trader, they may apply for the same to DOF under intimation to STC so that STC may also approach DOF for grant of permission to them for import of Technical Grade Urea through STC.
2. The Actual buyer will have two options for importing TG Urea as under:
 - a. They may find out Overseas Supplier, on their own, to supply TG Urea at their agreed price and other terms and conditions (the price should be as per prevalent market price).
 - OR
 - b. They may request STC to get them offer from STC's Associate Suppliers of Technical Grade Urea.
3. The actual buyer will send his request to STC for import of a certain quantity against the permitted quantity, either from overseas supplier already selected by them or by getting offers from STC's empanelled overseas supplier stating the following:-
 - That STC's terms and conditions for import/supply of TG Urea are acceptable to the actual buyer.
 - That we have already imported _____MTs of TG Urea through STEs against DOF's permission No. _____ dated _____ for _____MTs.
 - That the prices quoted by the overseas supplier are in line with the prevalent international prices of TG Urea.
 - As required, the following documents are attached:
 - (i) Copy of DOF permission.
 - (ii) Copy of STC's Terms and Conditions for import/ supply of TG Urea duly signed and stamped in token of acceptance by the actual buyer.
 - (iii) Overseas supplier proforma invoice/offer letter duly signed and stamped in token of its acceptance by the actual buyer.
4. STC will arrange import of goods on back to back basis by way of entering into Tripartite agreement with the overseas supplier, STC and the actual buyer as per STC's standard format.

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5. STC shall import goods in its own name and shall sell the same to the actual buyer on High Sea Sales basis. For this purpose, a High Sea Sales Agreement will be made between STC and the actual buyer as per STC's standard format (enclosed Annexure A) after receipt of sailing advice/ shipping documents from the overseas supplier.
6. STC will give to actual buyer its provisional proforma invoice, inter-alia, including the following for making advance payment to STC:-
 - a. C&F/ CIF value of the goods (inclusive of plus tolerance).
 - b. STC's trading margin @2% of (a) above.
 - c. LC opening /retiring/bank charges @0.54% of (a) above. However, actual charges charged by the bank shall be borne by the actual buyer (not STC).
 - d. Exchange rate fluctuations @10% of (a) above.
7. Payment to STC by the actual buyer:-
 - Advance in Indian Rupees @30% of the total of 6 above.
 - Balance 70% to be remitted to STC by way of DD/RTGS/NEFT by the actual buyer upon receipt of intimation of sailing of vessel from the supplier. However, four/five On Dated Cheques, for the value of balance 70% payment, will be submitted by the actual buyer to STC at the time of making 30% advance payment. Actual Buyer shall also give the warranty that during the subsistence of the business transaction with STC, the bank account from where the cheque is issued would not be closed and no 'stop payment' instruction would be issued, for whatsoever the reason it may be.
8. Along with initial 30% payment, the Actual Buyer shall also submit to STC duly signed and stamped the followings as per prescribed formats:-
 - Back to Back Agreement (Annexure I).
 - Tripartite Agreement (Annexure II).
 - Undertaking (Annexure III).
 - Indemnity Bond (Annexure IV).

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9. Actual Buyer shall comply with all the terms and conditions of DOF's permission and shall submit the required documents as per 16(A) and 16 (B) of Back to Back Agreement. Besides the details of the product being produced by using TG urea, quantity of TG urea needed to manufacture one MT (or any other unit) of the product, total quantity produced in last year and in last month, quantity of TG urea used in that year/ month respectively shall also be submitted to STC/DOF.
10. STC shall send Tripartite Agreement duly signed and stamped by the Actual Buyer and STC to Overseas Supplier after signing of back to back agreement with actual buyer and receipt of advance payment from the Actual Buyer as per S. No. 6 above.
11. Payment to Overseas Supplier shall be released either through sight, irrevocable LC opened in favor of the Overseas Supplier or on CAD basis after submission of following documents:-
 - a. Three sets of clean on board bill of lading marked "freight prepaid" consigned to order and duly endorsed. BL to be issued from shipping lines.
 - b. Original commercial invoice duly signed by seller.
 - c. Original packing list showing net and gross weight.
 - d. Load port quality Certificate from M/s SGS/TCI/INSPECTORATE, etc.
 - e. Original Load port quantity certificate from M/s SGSITCI/INSPECTORATE, etc.
 - f. Original Certificate of origin certified by chamber of commerce and industry/beneficiary or any other authorized agency.
 - g. Original Insurance certificate from Seller's warehouse to buyer's warehouse duly endorsed in favor of buyer for 110% of total value with Lloyd's Classification (ICC-A) for all comprehensive risks including war, SRCC and TP&ND. Insurance cover to be provided till place of final delivery.
12. One set of non-negotiable documents shall be sent by the Overseas Suppliers to STC on the basis of which the Actual Buyer shall get the goods cleared from the customs, after making custom duty, etc., if any, and the Bill of Entry (Exchange Control Copy) shall be submitted, within a month, by the Actual buyer to STC for onward submission to STC's bankers.
13. Overseas supplier and Actual buyer must agree mutually all terms and conditions in regard to price, quantity, quality, specifications, inspection agency, shipment schedule, etc. and STC shall not be responsible for any dispute between the Overseas Supplier and the Actual buyer and if any dispute exists, the same will be mutually settled by them.

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14. Final settlement of accounts will be made at the actual exchange rate of payment to overseas supplier. Advance payment received by STC shall be adjusted accordingly. Balance, if any, will be refunded to the Actual buyer and shortfall, if any, shall be paid by the actual buyer to STC within 3 days of intimation from STC..
 15. No interest is payable by STC on the advance payment and / or the balance available with STC.
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BACK TO BACK AGREEMENT

BETWEEN

The State Trading Corporation of India Limited, New Delhi

AND

ASSOCIATE BUYER

Agreement no.. Dated :

This agreement made and entered at Delhi on this _____ between **THE STATE TRADING CORPORATION OF INDIA LIMITED**, a company registered under the Indian Companies Act, 1956 and having its registered office at **JAWAHAR VYAPAR BHAWAN, TOLSTOY MARG, NEW DELHI 110001**, hereinafter referred to as "STC" which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and permitted assigns, on one part

AND

M/S _____ having its registered office _____ hereinafter referred to as the "**ASSOCIATE BUYER**", which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and permitted assigns, on the second part

WHEREAS ASSOCIATE BUYER, in their capacity as Buyer, has requested STC, in their capacity as Importer to import _____ MT (+/- 10%) of Technical Grade Urea for Industrial use on their behalf from M/s _____ (**Seller**) at a unit price of US\$ _____ PMT C&F/CIF _____ Port, India basis. A Tripartite Contract no. _____ dated _____ entered into between STC, Seller and the Associate Buyer is appended to this agreement and shall form an integral part of this agreement.

As per chapter 31 of ITC, Technical Grade Urea can be imported only by certain State Trading Enterprises and STC, being such an enterprise, can import the same. ASSOCIATE BUYER has got permission from Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India vide their letter no, _____ to import _____ of Technical Grade Urea for industrial use through STEs during _____.

WHEREAS as per the request received from ASSOCIATE BUYER vide their letter No. dated _____, STC has agreed to arrange import of _____ MT (+/- 10 %) of Technical Grade Urea (for industrial use) and to sell the same to ASSOCIATE BUYER on high sea sale basis on the terms and conditions provided herein and as mutually finalized and agreed between Associate buyer and Seller. The Associate Buyer has submitted an undertaking at the time of making request for import of TG Urea for Industrial use and this undertaking is an integral part of this agreement.

STC

Associate Buyer

Contd...2

Now, thereof, in consideration of the premises and mutual consent contained herein, the parties agree as follows:

1. The importer will be M/s The State trading Corporation Of India Limited (STC).
2. The ASSOCIATE BUYER will be
3. The seller will be

The terms and conditions of this agreement are as under:-

Article 1: COMMODITY: Technical Grade Urea (Prilled/Granular) for Industrial use.

Article 2: QUANTITY: _____ MT (+/-10%) (As agreed between Seller and the Associate Buyer).

Article 3: SPECIFICATION:

Total Nitrogen	: 46% Min.
Biuret	: 1.0% Max.
Moisture	: 0.5% Max.
Particle Size	: 90.0% Min. (1-3.00 mm)

White, Prilled, Free flowing and free from harmful substances. Product to be treated to prevent caking OR (As agreed between Seller and the Associate Buyer).

Article 4: ORIGIN: _____ Country (As agreed between Seller and the Associate Buyer).

Article 5: PACKAGING: Packed in 50 kg PP bags in 20/40 Feet containers.

Article 6: UNIT PRICE: US\$ _____ PMT C&F/CIF _____ Port in India (As agreed between Seller and the Associate Buyer). (Prices quoted should be at the prevailing International Market Price at a given time).

Article 7: MARKINGS ON BAGS: By printing or stenciling on new 50 Kg PP bags with 2 inches red colour border on the front side as below and markings in black print as under:

<p>TECHNICAL GRADE UREA FOR INDUSTRIAL USE ONLY</p> <p>NAME OF THE IMPORTER/DISTRIBUTOR: THE STATE TRADING CORPORATION OF INDIA LTD. NEW DELHI A/C (Name of the Associate Buyer).</p> <p>DATE OF IMPORT:2013</p> <p>PURPOSE/USE: FOR INDUSTRIAL USE ONLY.</p>
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STC

Associate Buyer

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Article 8: SHIPMENT: By _____ date (As mutually agreed between Seller and the Associate Buyer).

Article 9: LOADPORT: _____ Port in _____ Country (As mutually agreed between Seller and the Associate Buyer).

Article 10: DISCHARGE PORT: _____ Port in India (As mutually agreed between Seller and the Associate Buyer).

Article 11: MARINE INSURANCE:

- i) In case of CIF, Comprehensive insurance to be arranged by the Seller. Seller shall intimate to the buyer within 72 hours after completion of shipment, the date of departure, quantity loaded, ETA at Indian Port, Invoice Value and other details of the Insurance Company with their Agent in India. The seller to endorse the Insurance Policy in favour of the Buyer (i.e. The State Trading Corporation of India Ltd.)
- ii) In case of C&F, STC would arrange the Insurance for the entire cargo at the cost of Associate Buyer.

Article 12: TOTAL VALUE: US\$ _____.

Article 13: PAYMENT: 30% in advance including plus tolerance value of the cargo in Indian rupees to STC as per STC's Proforma Invoice which covers the C&F/CIF price (inclusive of plus tolerance) based on the exchange rate prevalent on the date of Proforma Invoice, STC's trading margin @ 2.5% of C&F/ CIF price, bank charges @ 0.54% and exchange rate fluctuation @ 10%. Balance 70% is to be remitted upon receipt of intimation of sailing of vessel from the suppliers. However, four/five On Dated Cheque(s) for the value of the balance 70% payment will also be submitted by the ASSOCIATE BUYER to STC with initial/ advance 30 % payment along with the following Undertaking/ Warranty:

ASSOCIATE BUYER warrants that during the subsistence of the business transaction with STC, the bank account from where the cheque is issued would not be closed and no 'stop payment' instruction would be issued, for whatsoever the reason it may be.

Along with initial 30% payment, the Associate Buyer shall also submit to STC the following as per requirements of DOF:

- i) Associate Buyer shall have to give an indemnity bond of Rs. 200/- (Stamp paper) that he shall not use any subsidized urea meant for agriculture purpose. If found using, shall be punished under Para 7 of the Essential Commodities Act, 1955 including the imprisonment upto 7 years.
- ii) Associate Buyer shall inform STC, w.r.t. product being produced by using quantity

STC

Associate Buyer

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of TG urea needed to manufacture one MT (or any other unit) of the product, total quantity produced in last year and in last month, quantity of TG urea used in that year/ month respectively.

The final settlement shall be done by STC at the SBI Bill selling rate prevailing on the date of payment by STC to Seller and submission of all relevant Certificate/ documents required as per Article 16 (B).

Article 14: In the event of any delay/failure/refusal on the part of the Associate Buyer to pay balance 70% payment due on receipt of intimation of sailing of vessel from Loadport as per article No.13 and/or refusal to take delivery of the consignment for any reason whatsoever, STC shall have the exclusive right to dispose off the cargo at the sole risk, costs, expenses and responsibility of the Associate Buyer. STC shall claim all consequences arising thereof, such as interest/ detention/ demurrage/ storage/ carrying charges or any other incidentals for further performance of agreement in which case, the Associate Buyer shall not have the right to claim eventual damages.

Article 15: SHIPPING DOCUMENTS: STC shall furnish the following documents to ASSOCIATE BUYER on receipt of the same from Seller.

1. Bill of lading (B/L) issued by Carrier or their agents.
2. Commercial invoice
3. Load port quality Certificate from (Third Party Internationally Reputed Independent Inspection Agency*).
4. Load port quantity Certificate from (Third Party Internationally Reputed Independent Inspection Agency*).
5. Certificate of origin issued by beneficiary/Chamber of Commerce of the Country of Shipment (as agreed between seller and the ASSOCIATE BUYER).
6. Marine Insurance certificate as per CIF terms.

* as mutually agreed between Seller and the Associate Buyer.

Article 16: Department Of Fertilizer (DOF) or any other regulatory body/ authorities at the time of granting permission for import of technical Grade Urea has mentioned conditions which have to be followed and complied with by the Associate Buyer.

(A) In this context, the ASSOCIATE BUYER has noted the following and shall ensure the compliance of the same:

- i) No subsidy will be allowed on imported Urea.
- ii) STC will be kept informed about the arrivals of imported technical grade urea authorised for industrial use.
- iii) Technical Grade Urea thus imported shall be sold to end users distributor/ permission holder only. As per Clause 25(3) of the FCO (Fertilizer Control Order), TG urea for agriculture use can not be sold from the same premises.
- iv) The TG urea (including NPK requirement) can be imported bulk/ bags but can be transported further from the ports only in bags.

STC

Associate Buyer

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- v) The Bags containing the technical grade urea, while transporting from Ports to end user's premises, should carry the information printed / stamped such as Name of the Importer/ distributor, date of import, purpose/use etc. and also the clearly marked " TECHNICAL GRADE UREA FOR INDUSTRIAL USE ONLY".
- vi) The TG urea bag should have two inches red colour border on the front side.

(B) The Associate Buyer shall also provide the following documents and information as mentioned below as per the requirements of permission of DOF:-

- i) The details of the quantities of the technical grade urea imported and distributed to industrial users shall be furnished to STC on monthly and yearly basis.
- ii) ASSOCIATE BUYER will be required to furnish utilization certificate to the effect that the quantity not less than the volume of imported urea has been utilized/distributed.
- iii) The sale of TG urea shall be subject to certification after verification by State Governments to maintain accountability of stocks sold to match with the quantity available in the godowns of the user and the quantity actually utilized. The certification should be by the Statutory Auditor (if no statutory auditor is there, then Chartered Accountant) of the respective users of TG urea.
- iv) Certificate from the Associate Buyer stating that they have paid the Custom duty applicable for non agriculture use.

Article 17: QUALITY AND QUANTITY: Quality and quantity of material as authenticated by independent internationally reputed inspection agency shall be final for all purposes. Since the Seller has been identified by ASSOCIATE BUYER, he alone shall be responsible for any non-supply or deviation in quality standards or delay in supply for whatever reason. In the event of any claim or dispute as regards quality and quantity or otherwise, the same shall be settled directly by Seller with ASSOCIATE BUYER without any liability whatsoever on STC. In spite of it if any claim/liability that arises on buyer from seller, the same shall be passed on to the ASSOCIATE BUYER. Similarly, in case, any claim/ liability arises on buyer from Associate Buyer, the same shall be passed on to the seller.

Article 18: DISPUTES : In the event of any dispute or difference between the parties of whatsoever nature including time schedule, quality, quantity and demurrage but not limiting to the same, the liability thereto, if any, will be that of seller and the associate buyer. It is clearly understood between the parties to the contract that any claim of whatever nature shall be settled between the associate buyer and the seller directly themselves without recourse to STC as a party to the dispute

Article 19: OTHER TERMS & CONDITIONS:

- 1) Indemnity Bond of Rs. 200/- (Stamp Paper) shall be submitted by the Associate Buyer along with initial payment to STC.

STC

Associate Buyer

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- 2) Letter of Credit (LC) opening charges, bank charges and other statutory expenses shall be borne at actuals by ASSOCIATE BUYER.
- 3) B/L prior to L/C opening shall be acceptable.
- 4) Partial shipments allowed.
- 5) Third party documents except Invoice shall be acceptable.
- 6) FREE TIME AT DISCHARGE PORT: Free time of 14 (fourteen) calendar days for discharging of containers shall be allowed starting from date of arrival of loaded containers at discharge port to date of return of empty containers back to discharge port at disposal of the forwarder's agent. In case of any demurrage/detention charges are incurred, the same shall be to ASSOCIATE BUYER's account OR (as agreed between the seller and the Associate Buyer).
- 7) TERMINAL HANDLING CHARGES AT DISCHARGE PORT: As agreed between the Associate Buyer and Seller.
- 8) The sale will be made by STC on High Seas basis to ASSOCIATE BUYER and ASSOCIATE BUYER shall file the Bill of Entry in their name and shall arrange to clear the Goods on payment of custom duty / charges, port handling and clearing charges, demurrage, warehousing charges, container detention charges, CFS (Container Freight Station Charges) and any other charges, duties, levies, etc.
- 9) All expenses / liabilities towards ocean freight, container charges, demurrage / detention charges and transit / storage insurance and any other charges whatsoever shall be to ASSOCIATE BUYER account.
- 10) ASSOCIATE BUYER to submit to STC Bill of Entry (B/E), exchange control copy within 30 days from the date of filing B/E with customs.
- 11) ASSOCIATE BUYER shall approach insurance company for deputing their surveyor at the time of unloading of the cargo in terms of the insurance policy.
- 12) ASSOCIATE BUYER to ensure markings as mentioned above in ARTICLE 7 before moving the cargo from discharge port.
- 13) ASSOCIATE BUYER shall submit Utilization certificate and all other certificates/ documents to STC as per the requirement of DOF.
- 14) Insurance claims, if any, shall be settled/handled by ASSOCIATE BUYER directly with insurance company. However, STC will render all the necessary help to ASSOCIATE BUYER in this respect.

Article 20: FORCE MAJEURE:

- i) If at any time during the existence of this contract, either party is unable to perform in whole or in part any obligations under this contract because of war, hostility, civil commotion, sabotage, quarantine restrictions, acts of God, and acts of Government (including but not restricted to prohibitions of exports and imports), fires, floods, explosions, epidemics, strikes, embargoes, then the date of fulfillment of any obligations engagement shall be postponed during the time when such circumstances are operative.
- ii) Any waiver/extension of time in respect of the delivery of any installment or part of the goods shall not be deemed to be waiver/extension of time in respect of the remaining deliveries.

STC

Associate Buyer

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- iii) If operation of such circumstances exceed three months, each party will have the right to refuse further performance of the contract in which case neither party shall have the right to claim eventual, consequential, exemplary damages.
- iv) The party which is unable to fulfill its engagements under the present contract must within 15 days of occurrence of any of the causes mentioned in this clause shall inform the other party of the existence preventing the performance of the contract. Certificate issued by Chamber of Commerce in the country of seller or loading port or the ASSOCIATE BUYER shall be sufficient proof of the existence of the above circumstances and their duration.

Article 21: ARBITRATION:

- (a) All disputes or differences whatsoever arising under or out of or relating to the construction, meaning and operation or effect of this agreement or the breach thereof shall be settled by arbitration in accordance with the Rules of Arbitration of Indian Council of Arbitration and the award made in pursuance thereof shall be binding on the parties. The governing law shall be laws of India. The venue of arbitration shall be Delhi, India. The language of arbitration shall be English.
- (b) The party invoking the arbitration clause shall do so by serving the other party a notice by registered post specifying the disputes and qualifying its claims in categorical terms addressed to General Manager, The State Trading Corporation of India Limited, Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi 110001 if the claim is against STC and M/s ASSOCIATE BUYER having its registered office at G 11, Udyog Nagar, Main Rohtak Road, New Delhi-110 041, if in case the claim is against ASSOCIATE BUYER.

Article 22: LIABILITY AND INDEMNITY: Seller or Associate Buyer hereby agrees to defend, indemnify, keep indemnified and hold harmless, STC including, STC's directors, officers and employees from and against all and any claims, demands, losses, costs including but not limited to taxes/duties damages, expenses, demurrage, penalties, liabilities, legal cost, short shipments, claims on account of quality/quantity/making/weight/ specifications etc., of whatsoever nature it may be and proceedings whatsoever (i) arising from or on account of any actions or omissions of the Seller or Associate Buyer, its agents, employees or representatives. (ii) any negligence or willful misconduct on the part of the Seller or Associate Buyer or its employees; (iii) breach of this Agreement by the Seller or Associate Buyer. Seller or Associate Buyer shall also indemnify STC for any damage, penalty or fine, adjudged against the STC which the STC suffers solely because of the Seller or Associate Buyer's failure to perform services in time or the Services falling below the mutually agreed or standard service levels.

STC shall not have any liability, whatsoever of any nature, for any indirect, speculative

STC

Associate Buyer

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damages or any consequential damages including but not limited to loss of profits, revenue etc. Notwithstanding anything to the contrary, the total liability of STC under this agreement shall not exceed the trading margin @2.5 % of C&F /CIF value paid to STC for the transaction pertaining to which the liability arises under this Agreement.

Article 23: GENERAL CLAUSE: It is expressly understood and agreed that the buyer is independent legal entity with power on principal to principal basis and authority to enter into Contract solely on its own behalf under the applicable laws of India and general principles of Contract law. Accordingly, seller or Associate Buyer hereby expressly waive, release and forego any and all actions or claims, including cross claims, imp-leader claims or counter-claims against the Government of India arising out of this Contract and covenants not to sue the Government of India as to in any matter, claim, cause of action or things whatsoever arising out of or under this Contract during the validity of this Contract.

Article 24: CONFIDENTIALITY: This contract, its provisions and existence, as well as any commercial data including price or technical data and any information provided in accordance herewith to the other party shall be considered as confidential. Such information shall not be disclosed to any third party unless required by any applicable law or authorized in writing by the other party.

All such information shall be used by the other party only for the purposes of performance of this contract.

The restrictions here-in-above shall not apply to any information generally available to the public or received in good faith from a third party without restriction. The parties hereto agree to keep as confidential all documentation furnished or received by either party at any time in connection with this contract

This provision, as far as practicable, shall apply to all the concerned officials of either party.

This clause shall survive upon termination of this contract.

Article 25: AMENDMENT: This Agreement shall not be amended, altered or modified, or any provision herein shall not be waived except by an instrument in writing expressly referring to this Agreement and signed by the duly authorized representatives of both the Parties, and no verbal Agreement or conduct of any nature related to the subject matter hereof or to the relationship between the Parties will be considered valid enforceable.

Article 26: SEVERABILITY: If any part or provision of this Agreement not being a fundamental nature is held illegal or unenforceable, the validity or enforceability of the remainder of this Agreement shall not be affected if such part, term of provision is severable from the rest of this Agreement without altering the essence of this

Agreement. If such part, term or provision is not so severable, then the whole of this Agreement shall stand terminated, unless the Parties thereupon negotiate in good faith in order to agree to the terms of a mutually satisfactory provision, achieving as nearly as possible the same commercial effect, to be substituted for the provision so found to be invalid, illegal or unenforceable.

Article 27: HEADINGS: The clauses, headings and paragraphs contained in this Agreement are for general reference and guidance and shall not be conclusive as to the meaning or the interpretation of this Agreement.

Article 28: WAIVER: Failure of either Party at any time to require performance of any provision of this Agreement shall not affect the right to require full performance thereof at any time thereafter, and the waiver by any party of a breach of any provision shall not be taken to be a waiver of any subsequent breach thereof or as nullifying the effectiveness of such provision.

Article 29: ENTIRE AGREEMENT: The contract constitutes the entire understanding of the parties with respect to the subject matter hereof. No modification or amendment shall be effective unless in writing and signed by a duly authorized representative of each party.

In WITNESS HEREOF, the parties have caused this contract to be executed by their respective duly authorized representatives as of the day and year first above written.

This contract is subject to Incoterms 2000 plus any subsequent amendments and notifications/orders of Customs/ Government of India.

Signed on _____ at _____.

For ASSOCIATE BUYER

For STC

Authorised Signatory
(Company Seal)

Authorised Signatory
(Company Seal)

Witness:

Witness

1

1.

2

2.

ANNEXURE II

**TRIPARTITE AGREEMENT FOR IMPORT OF TECHNICAL GRADE UREA
FOR INDUSTRIAL USE.**

AGREEMENT NO : STC/FERT/TGU/S-STC-AB/2012-13

Signed at _____ on _____.

BETWEEN

THE STATE TRADING CORPORATION OF INDIA LTD., a company registered under the Companies Act. 1956 having its registered office at Jawahar Vyapar Bhavan, 1-Tolstoy Marg, New Delhi – 110001, India, Telephone Nos. +91 11 23701005, and Fax No. +91 11 23701011 hereinafter called the ‘**Buyer**’ (which expression shall in so far as the context admits, include its successors and assigns) of the first part.

AND

_____ having its registered office at _____ (hereinafter called the ‘**Seller**’) which expression shall in so far as the context admits, include its successors and assigns of the second part.

AND

_____, having its registered office at _____ hereinafter called the ‘**Associate Buyer**’ (which expression shall in so far as the context admits, include its successors, legal representative and assigns) of the third part.

As per chapter 31 of ITC, Technical Grade Urea can be imported only by certain State Trading Enterprises and STC, being such an enterprise, can import the same. ASSOCIATE BUYER has got permission from Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India vide their letter no, _____ to import _____ of Technical Grade Urea for industrial use through STEs during _____.

The Seller has agreed to Sell and the Buyer has agreed to buy Technical Grade Urea for industrial use for and on behalf of the Associate Buyer as per the following terms and conditions which have been mutually finalized and agreed between Associate Buyer and Seller:-

Article 1: COMMODITY: Technical Grade Urea (Prilled/Granular) for Industrial use.

Article 2: QUANTITY: _____ MT (+/-10%) (As agreed between Seller and the Associate Buyer).

Seller

Buyer

Associate Buyer

Contd...2

Article 3: SPECIFICATION:

Total Nitrogen : 46% Min.
Biuret : 1.0% Max.
Moisture : 0.5% Max.
Particle Size : 90.0% Min. (1-3.00 mm)

White, Prilled, Free flowing and free from harmful substances. Product to be treated to prevent caking OR (As agreed between Seller and the Associate Buyer).

Article 4: ORIGIN: _____ Country (As agreed between Seller and the Associate Buyer).

Article 5: PACKAGING: Packed in 50 kg PP bags in 20/40 Feet containers.

Article 6: UNIT PRICE: US\$ _____PMT C&F/CIF _____Port in India (As agreed between Seller and the Associate Buyer). (Prices quoted should be at the prevailing International Market Price at a given time).

Article 7: MARKINGS ON BAGS: By printing or stenciling on new 50 Kg PP bags with 2 inches red colour border on the front side and markings in black print as under:

<p style="text-align: center;">TECHNICAL GRADE UREA FOR INDUSTRIAL USE ONLY</p> <p style="text-align: center;">NAME OF THE IMPORTER/DISTRIBUTOR: THE STATE TRADING CORPORATION OF INDIA LTD. NEW DELHI A/C (Name of the Associate Buyer).</p> <p style="text-align: center;">DATE OF IMPORT:2013 PURPOSE/USE: FOR INDUSTRIAL USE ONLY.</p>

Article 8: SHIPMENT: By _____date (As mutually agreed between Seller and the Associate Buyer).

Article 9: LOADPORT: _____Port in _____Country (As mutually agreed between Seller and the Associate Buyer).

Article 10: DISCHARGE PORT: _____Port in India (As mutually agreed between Seller and the Associate Buyer).

Seller

Buyer

Associate Buyer

Article 11: MARINE INSURANCE:

- (i) In case of CIF, Comprehensive insurance to be arranged by the Seller. Seller shall intimate to the buyer within 72 hours after completion of shipment, the date of departure, quantity loaded, ETA at Indian Port, Invoice Value and other details of the Insurance Company with their Agent in India. The seller shall endorse the Insurance Policy in favour of the Buyer (i.e. The State Trading Corporation of India Ltd.).
- (ii) In case of C&F, Buyer would arrange the Insurance for the entire cargo at the cost of Associate Buyer.

Article 12: TOTAL VALUE: US\$ _____.

Article 13: PAYMENT: LC/CAD basis.

- (a) In case of LC, Letter of Credit shall be opened as per BUYER's Standard format.
In case of CAD payment, seller shall claim reimbursement by submitting necessary shipping documents through banking channels. Upon confirmation of acceptance of documents from the Associate buyer, Buyer would release the payment to the seller. However, the documents shall be accepted by Buyer only after receipt of full payment for invoice value from the Associate buyer.
- (b) The following documents shall be provided by seller at the time of negotiating the L/C OR will be sent to the designated Bank of the buyer for payment on CAD terms.
 - (i) Full set 3/3 clean on board Liner Bills of Lading issued by Shipping lines or their agents. B/Ls to mention 14 days container detention free time at port of discharge.
 - (ii) One Original and 3 copies of commercial invoice duly signed by seller.
 - (iii) One Original and 3 copies of packing list showing net and gross weight.
 - (iv) Load port quality Certificate from Third Party Internationally Reputed Independent Inspection Agency* in one original and 3 copies. Inspection Agency to mention the method of testing adopted.
 - (v) Load port quantity Certificate from Third Party Internationally Reputed Independent Inspection Agency* in one original and 3 copies. Inspection Agency to mention the method of testing adopted.
 - (vi) One Original along with 3 copies of Certificate of origin issued by beneficiary/Chamber of Commerce of the Country of Shipment (as agreed between seller and the Associate Buyer).
 - (vii) Marine Insurance certificate in case of CIF terms.

* as mutually agreed between Seller and the Associate Buyer

Seller

Buyer

Associate Buyer

- (c) All bank charges in India including cost of telegraphic remittance of funds will be to buyer's account. Foreign bank charges, if any, would be to seller's account. Confirmation of LC, if desired by seller, shall be to their account.
- (d) In case complete documents are not submitted or the discrepancies observed therein, are of material nature, BUYER reserves the right to withhold payment till satisfactory documents are submitted as required in terms of the contract. In case of such an event, BUYER will not be liable for any loss included but not limited to interest, which may accrue to the seller due to delay in payment against documents or any other losses. Any/all losses suffered by the buyer due to submission of defective documents will be to seller's account.
- (e) A set of non-negotiable shipping documents to be e-mail/faxed within 5 days from date of loading of container in the ship by the Seller to the Buyer and Associate Buyer.
- (f) In case original documents are not received by the Associate Buyer before the arrival of the ship at discharge port, the cargo will be released to Associate Buyer against simple letter of Indemnity and there shall be no liability for Buyer of whatsoever nature it may be.

Article 14: i) **FREE TIME AT DISCHARGE PORT:** Free time of 14 (fourteen) calendar days for discharging of containers shall be allowed starting from date of arrival of loaded containers at discharge port to date of return of empty containers back to discharge port at disposal of the forwarder's agent. In case of any demurrage/detention charges are incurred, the same shall be to ASSOCIATE BUYER's account OR as mutually agreed between the seller and the Associate Buyer.

ii) **TERMINAL HANDLING CHARGES AT DISCHARGE PORT:** As agreed between the seller and the Associate Buyer.

Article 15: The seller will intimate name of vessel, Expected Time of Arrival of vessel at discharge port and also name of the shipping Co.'s agents in India by fax/e-mail within 24 hours of sailing of vessel from load port.

Article 16: PRE-SHIPMENT INSPECTION: Pre-shipment inspection shall be conducted by Third Party Internationally Reputed Independent Inspection Agency. The charges for Pre-shipment inspection shall be borne by the Seller or the Associate Buyer (as mutually agreed between them). Pre-shipment Inspection Agency shall invariably give the methods adopted for quality/ quantity inspection as elaborated in Article 13 (b) (iv) and (v).

Seller

Buyer

Associate Buyer

Article 17: QUALITY AND QUANTITY: Quality and quantity of material as authenticated by independent internationally reputed inspection agency _____(Name of the Inspection Agency) at Load Port shall be final for all purposes. Since the Seller has been identified/accepted by Associate Buyer, the Associate Buyer alone shall be responsible for any non-supply or deviation in quality standards or delay in supply for whatever reason it may be. In the event of any claim or dispute as regards quality and quantity or otherwise, the same shall be settled directly by Associate Buyer with the Seller without any liability whatsoever nature it may be on buyer (i.e. The State Trading Corporation of India Ltd.). In case, any claim/liability arises on Buyer from Seller, the same shall be passed on to the Associate Buyer. Similarly, in case, any claim/ liability arises on buyer from Associate Buyer, the same shall be passed on to the Seller.

Article 18: DISPUTES: In the event of any dispute or difference between the parties of whatsoever nature including but not limited to time schedule, quality, quantity and demurrage, the liability thereto, if any, will be that of seller and the associate buyer. It is clearly understood between the parties to the contract that any claim of whatever nature shall be settled between the associate buyer and the seller directly themselves without recourse to Buyer as a party to the dispute.

Article 19: FORCE MAJEURE:

- i) If at any time during the existence of this contract, either party is unable to perform in whole or in part any obligations under this contract because of war, hostility, civil commotion, sabotage, quarantine restrictions, acts of God, and acts of Government (including but not restricted to prohibitions of exports and imports), fires, floods, explosions, epidemics, strikes, embargoes, then the date of fulfillment of any obligations engagement shall be postponed during the time when such circumstances are operative.
- ii) Any waiver/extension of time in respect of the delivery of any installment or part of the goods shall not be deemed to be waiver/extension of time in respect of the remaining deliveries.
- iii) If operation of such circumstances exceed three months, each party will have the right to refuse further performance of the contract in which case neither party shall have the right to claim eventual, consequential, exemplary damages.
- iv) The party which is unable to fulfill its engagements under the present contract must within 15 days of occurrence of any of the causes mentioned in this clause shall inform the other party of the existence preventing the performance of the contract. Certificate issued by Chamber of Commerce in the country of seller or loading port or the buyer shall be sufficient proof of the existence of the above circumstances and their duration.

Seller

Buyer

Associate Buyer

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Article 20: ARBITRATION:

- (a) All disputes or differences whatsoever arising under or out of or relating to the construction, meaning and operation or effect of this agreement or the breach thereof shall be settled by arbitration in accordance with the Rules of Arbitration of Indian Council of Arbitration and the award made in pursuance thereof shall be binding on the parties. The governing law shall be laws of India. The venue of arbitration shall be Delhi, India. The language of arbitration shall be English.
- (b) The party invoking the arbitration clause shall do so by serving the other party a notice by registered post specifying the disputes and qualifying its claims in categorical terms addressed to General Manager, The State Trading Corporation of India Limited, Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi 110001 if the claim is against BUYER and the Associate Buyer, if in case the claim is against the Associate Buyer.

Article 21: LIABILITY AND INDEMNITY: Seller or Associate Buyer hereby agrees to defend, indemnify, keep indemnified and hold harmless, STC including, STC's directors, officers and employees from and against all and any claims, demands, losses, costs including but not limited to taxes/duties damages, expenses, demurrage, penalties, liabilities, legal cost, short shipments, claims on account of quality/quantity/making/weight/ specifications etc., of whatsoever nature it may be and proceedings whatsoever (i) arising from or on account of any actions or omissions of the Seller or Associate Buyer, its agents, employees or representatives. (ii) any negligence or willful misconduct on the part of the Seller or Associate Buyer or its employees; (iii) breach of this Agreement by the Seller or Associate Buyer. Seller or Associate Buyer shall also indemnify STC for any damage, penalty or fine, adjudged against the STC which the STC suffers solely because of the Seller or Associate Buyer's failure to perform services in time or the Services falling below the mutually agreed or standard service levels.

STC shall not have any liability, whatsoever of any nature, for any indirect, speculative damages or any consequential damages including but not limited to loss of profits, revenue etc. Notwithstanding anything to the contrary, the total liability of STC under this agreement shall not exceed the trading margin @2.5 % of C&F /CIF value paid to STC for the transaction pertaining to which the liability arises under this Agreement.

Article 22: GENERAL CLAUSE: It is expressly understood and agreed that the buyer is independent legal entity with power on a principal to principal basis and authority to enter into Contract solely on its own behalf under the applicable laws of India and general principles of Contract law. Accordingly, seller hereby expressly waive, release

Seller

Buyer

Associate Buyer

Contd...7

and forego any and all actions or claims, including cross claims, imp-leader claims or counter-claims against the Government of India arising out of this Contract and covenants not to sue the Government of India as to in any matter, claim, cause of action or things whatsoever arising out of or under this Contract during the validity of this Contract.

Article 23: CONFIDENTIALITY: This contract, its provisions and existence, as well as any commercial data including price or technical data and any information provided in accordance herewith to the other party shall be considered as confidential. Such information shall not be disclosed to any third party unless required by any applicable law or authorized in writing by the other party. All such information shall be used by the other party only for the purposes of performance of this contract.

The restrictions here-in-above shall not apply to any information generally available to the public or received in good faith from a third party without restriction. The parties hereto agree to keep as confidential all documentation furnished or received by either party at any time in connection with this contract.

This provision, as far as practicable, shall apply to all the concerned officials of either party.

This clause shall survive upon termination of this contract.

Article 24: ENTIRE AGREEMENT: The contract constitutes the entire understanding of the parties with respect to the subject matter hereof. No modification or amendment shall be effective unless made in writing and signed by a duly authorized representative of each party.

Article 25: AMENDMENT: This Agreement shall not be amended, altered or modified, or any provision herein shall not be waived except by an instrument in writing expressly referring to this Agreement and signed by the duly authorized representatives of both the Parties, and no verbal Agreement or conduct of any nature related to the subject matter hereof or to the relationship between the Parties will be considered valid enforceable.

Article 26: SEVERABILITY: If any part or provision of this Agreement not being a fundamental nature is held illegal or unenforceable, the validity or enforceability of the remainder of this Agreement shall not be affected if such part, term of provision is severable from the rest of this Agreement without altering the essence of this Agreement. If such part, term or provision is not so severable, then the whole of this Agreement shall stand terminated, unless the Parties thereupon negotiate in good faith in order to agree to the terms of a mutually satisfactory provision, achieving as nearly as

Seller

Buyer

Associate Buyer

Contd...8

possible the same commercial effect, to be substituted for the provision so found to be invalid, illegal or unenforceable.

Article 27: HEADINGS: The clauses, headings and paragraphs contained in this Agreement are for general reference and guidance and shall not be conclusive as to the meaning or the interpretation of this Agreement.

Article 28: WAIVER: Failure of either Party at any time to require performance of any provision of this Agreement shall not affect the right to require full performance thereof at any time thereafter, and the waiver by any party of a breach of any provision shall not be taken to be a waiver of any subsequent breach thereof or as nullifying the effectiveness of such provision.

In WITNESS HEREOF, the parties have caused this contract to be executed by their respective duly authorized representatives as of the day and year first above written.

This contract is subject to Incoterms 2000 plus any subsequent amendments and notifications/orders of Customs/ Government of India.

This contract should be signed, stamped and faxed per return by the seller to the buyer on Fax No. 91 11 23701011 immediately.

Signed on _____ at _____.

For ASSOCIATE BUYER

For STC

Authorised Signatory
(Company Seal)

Authorised Signatory
(Company Seal)

Witness:

Witness

1

1.

2

2.

ANNEXURE III

ON THE LETTER HEAD OF THE ASSOCIATE BUYER

**To: State Trading Corporation of India Ltd.
Jawahar Vyapar Bhawan, Tolstoy Marg,
NEW DELHI- 110001**

UNDERTAKING

Subject: Import of ____MT (+/-10%) Technical Grade Urea of from _____ @
US\$ ____PMT _____port, India against Seller's Offer No. ____ dated _____.

We, _____ having its registered office at _____ solemnly affirm:

1. (a) That we have negotiated with _____ (hereinafter called "Seller") for supply of ____ (+/-10%) MT Technical Grade Urea @ US\$ ____ PMT CFR/CIF FO _____ Port, India and at our request, the Seller has furnished Offer No. ____ dated ____ in the name of State Trading Corporation of India Ltd. and the same is acceptable to us.
- (b) That pursuant to above we have requested STC to place order and open L/C for the subject import on our behalf in favour of seller who have accepted the above arrangement vide their letter dated ____ and subsequent email dated ____ . All the terms & conditions of the Tripartite Agreement between the Buyer, Seller and the Associate Buyer are acceptable and binding on us.
- (c) That the price quoted by the Seller is neither under-invoiced nor over-invoiced and is as per prevailing international price for the above-mentioned item and is at par with prices at which item of similar quality being imported into India.
2. We undertake to ensure that above items to be shipped by the Seller shall be strictly as per description & quality indicated in the Tripartite Agreement notwithstanding the inspection report/ quality certificate/ Survey report at load port furnished by the Seller for the subject consignment. We shall be held solely liable and responsible for all consequences arising out of variation of item/quality/quantity/specifications, etc. between contracted for & actually shipped and we undertake to indemnify the STC for the losses whatsoever on account of import of ____MT (+/-10%) of Technical Grade Urea under Tripartite Agreement No. ____ dated ____ / Back to Back Agreement No. _____ dated _____.
3. We undertake that we, _____, shall pay Custom duty applicable for non agriculture use and shall get the material cleared from customs at _____port at our cost.
4. We undertake to comply with all directions of STC in respect to the captioned subject not limited to signing an indemnity bond at the time of execution of agreed.

Place:
Date :

For & on behalf of

Authorised Signatory

ANNEXURE IV

INDEMNITY BOND

(at present not less than Rs. 200/- stamp paper)

This deed of Indemnity executed by..... hereinafter referred to as 'Indemnifier' which expression shall, unless repugnant to the context or meaning therefore, include its successors, administrators, representative and assignees in favour of STC(>>>>>) hereinafter referred to as the 'Indemnified' which expression shall unless repugnant to the context of meaning thereof, include its successors and assignees witnesses us to.

Whereas the indemnified herein has awarded to the Indemnifier herein a contract (Agreement) for the supply of..... On terms and conditions set out interalia in the purchaser's contract No..... As well as the contract valued at Rs..... (Rupees..... only).

And whereas, the indemnified has desired to execute a Deed of Indemnity in favour of the indemnified for any loss, cost, charges and expenses he may suffer on account of the non-payment or acts/omission of the obligations as per contract ,on the part of the indemnifier. And ,it is declared that this indemnity is without prejudice to and is in addition to the rights of subrogation of the indemnified in law.

AND THIS DEED WITNESSES that pursuant to the said Agreement and the Indemnifier hereby agrees to indemnify and keep indemnified the Indemnifier against any loss, cost, charges and expenses that the indemnified may suffer or incur on account of any claim being made on account that Indemnifier shall not use any subsidized urea meant for agriculture purpose. If found using, shall be punishable under the provisions of the Essential Commodities Act, 1950 including imprisonment upto seven years.

NOW THIS DEED WITNESSETH that Indemnifier shall ensure that the sale of TG Urea should be subject to certification after complete verification by State Govt.(s) to maintain accountability of stocks sold to match with the quantity available in the Godown of the end users and the quantity actually utilized. The certification should be by the Statutory Auditors of the respective users of the TG Urea.

Further, the Indemnifier will ensure that TG Urea end user shall inform Indemnifier, Indemnified and Ministry of Chemical and Fertilizer, Govt. of India, from whom such TG Urea is bought, giving information w.r.t. product being produced by using TG Urea, quality of TG Urea needed to manufacture 1 (one) MT (or any other unit) of the product, total quantity produced in last year and in the last month, quality of TG Urea used in that year/month respectively.

IN WITNESS WHEREOF, the Indemnifier has put his handday & year.....hereinafter

Name :

Designation:

WITNESS:

1

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