

THE STATE TRADING CORPORATION OF INDIA LTD.: NEW DELHI

(GENERAL IMPORTS DIVISION)

“AGREEMENT ON TERMS AND CONDITIONS WITH THE END USER-DEPARTMENT FOR IMPORT/SUPPLY”

- 1) **As a matter of policy to be followed by STC, General Imports Division - not to accept any Order from any user Department where the total indent value is less than Rupees one crores.**
- 2) **Detailed specifications** of the product/equipment/instrument, if available with the end-user Department, shall be forwarded to STC **in hard as well as soft copy i.e. in a floppy/CD or through e-mail.** After receipt of firm requirement(s) from the end-user Department, STC shall issue general enquiry by publishing tender on STC/Government Websites and brief tender notice to be published in Newspapers for obtaining quotation(s) from different worldwide suppliers / manufacturers of equipment(s)/instrument(s). STC shall inform the end-user Department (you) about publication of tender on Websites and invite you to be available at the time of tender opening, if you so desire. **We shall ordinarily offer, in our tender document, our payment terms on CAD/LC basis only and 100% payment in case of CAD basis shall be made to the supplier(s) after submission of a prescribed “certificate of acceptance of goods” (Please see format – Annexure-C)to the Bank/STC,** obtained from you by the supplier after delivery/installation/demonstration of the goods at your facilities. In case of supplies under LC, 90% payment to be released against shipment of goods and balance 10% after receipt of goods & their installation / commissioning at the end-user’s premises. In case of LC payment, pre-dispatch inspection of goods at the manufacturers/suppliers location abroad by end-user nominee or SGS / Any other International Inspection Agency of repute, is mandatory. A copy of satisfactory pre-dispatch inspection shall form the part of LC documents for claiming the 90% payment along with the specified shipment documents. All arrangements such as space, water & electricity supply, etc. for receipt/installation/demonstration of the goods shall be made by the end-user Department in advance to avoid delays. Further, to avoid delays in installation/demonstration, etc., STC shall put the responsibility, in the tender document, on the supplier to send all the pre-installation requisites, if any, along with their Indian Agent/Representative/Service Personnel. Thus, you shall ordinarily issue such certificate of acceptance of goods to the supplier immediately after installation/demonstration but not later than 10 days from the date of receipt of goods at your facilities. Cost, if any, for delayed certification from your Department shall be to your account.
- 3) After receipt of quotations through our tender on Websites, we shall forward to you our Terms and Conditions for import/supply of your required equipment/instrument together with our Proforma Invoice based on the suppliers’ quotations along with the supplier’s quotations in original for your scrutiny and evaluation from the point of view of price, quantity, quality and technical specifications, etc. offered by the suppliers/manufacturers. In case single offer is received or technically qualified for an item, it shall be the prerogative of the end-user department to either accept / reject the offer.
- 4) You shall remit us 100% advance payment as per our Proforma Invoice based on the supplier’s offer for the product/price/specifications, etc. duly selected/ accepted and approved by you. The remittance shall be in the form of Demand Draft in favour of “STC of India Limited, New Delhi” payable at New Delhi which shall invariably be accompanied by a copy of (i) our Proforma Invoice, (ii) our Terms & Conditions for import/supply and (iii) supplier’s quotation i.e. product/price/specifications, etc., all the pages of these duly signed and stamped by you in token of your acceptance in totality on the basis of which we shall place firm purchase order on the supplier / manufacturer. However, if any surplus fund is left with us after finalizing the imports / supply, we shall refund the same to you, however, STC shall not pay any interest on your advance payment or on any refundable amount. In case the end-user Department intends to repeat the order(s) for the already approved and procured item, the same should be done in the same financial year. Fresh tender(s) shall be published for the product(s) already procured but indented in the subsequent financial year(s).
- 5) Our trading margin shall be @ 3% of CIP/CIF price. Bank charges will initially be levied @ 0.75% of CIP/CIF value or a minimum of Rs.3000/- for each item. However, the bank charges shall be charged at actuals. In case of Local supplies, STC shall charge 3% Service charge plus applicable Service Tax. The charges on account of publishing of brief tender notice in newspapers, shall be also charged at actuals. STC will also add 10% towards provision for foreign exchange fluctuations in the Proforma Invoice(s). **However, final invoice** after import/supply of the goods to the end-user Department and after making payment to the supplier pursuant to the issue of the Certificate by the end-user Department as per prescribed format **shall be prepared/raised/ issued at actuals only.**

- 6) We shall place our order on the supplier after receipt of 100% advance payment from you and acceptance of prices quoted. Immediately after making 100% advance payment to STC including custom duty etc., **Your Department must obtain Certificate of Registration/Customs Duty Exemption Certificate and Import Licence, etc., if required**, to avoid delays/last minute problems at the time of custom clearance of the consignment of goods arrived at the International airport in India.
 - 7) We shall deliver the goods to you on high – seas sale basis and all the documents would be in your name and in this process no Sales Tax is leviable. You shall arrange the clearance of the consignment from Customs on arrival through your CHA/clearing agents who may be appointed by your Department well in advance. However, STC shall extend to you possible assistance in this regard, if required. In case of any loss arising as a result of shortages/damages in quantity and/or quality of the goods during shipment and/or at final destination in India, the ultimate responsibility will that be of indenter (yourselves) and the indenter shall lodge the respective claim on the concerned party(ies) viz. Foreign suppliers/insurers/carriers, etc. directly. The end-user department, if desires, can also pre-inspect the goods before despatch at the premises of the overseas manufacturer, at their own cost.
 - 8) To account for the Foreign Exchange remittance immediately after clearance of the consignment, you or your clearing agents will furnish to STC Original Exchange Control Copy of Bill of Entry duly certified by the Customs authorities for onward transmission to Reserve Bank of India through our Bankers. In this connection, it may be noted that RBI is taking a very serious note of cases where the actual users are not submitting Bill of Entry after clearance of Goods from the Custom authorities.
 - 9) You would be required to send us your confirmation immediately regarding clearance of consignment from the Customs as per your requirement failing which it would be presumed that the consignment has been received by you in order .
 - 10) It is expressly understood and agreed that STC shall act in a capacity of an facilitator for import of equipments for and behalf of the end-user department.
 - 11) The end user department has to submit declaration cum undertaking under section 10(5), Chapter III of the Foreign Exchange Management Act.
-

We agree to the above Terms and Conditions for import of equipments.

Dated -

(Name & Designation)
Department Seal

.....

.....
FORMAT OF CERTIFICATE OF ACCEPTANCE OF GOODS TO BE ISSUED ON THEIR
LETTER-HEAD BY THE END-USER DEPARTMENT TO THE SUPPLIER AFTER
RECEIPT/INSTALLATION/DEMONSTRATION OF GOODS (A COPY TO BE SENT TO STC
NEW DELHI ALSO ALONG WITH BILL OF ENTRY (EXCHANGE CONTROL COPY) IN
ORIGINAL ISSUED BY CUSTOM AUTHORITIES).

ANNEXURE-"C"

TO WHOMSOEVER IT MAY CONCERN

"CERTIFICATE OF ACCEPTANCE OF GOODS"

CERTIFIED THAT, WITH OUR APPROVAL AND ON OUR BEHALF, A PURCHASE ORDER
No.....dated WAS PLACED BY THE STATE TRADING
CORPORATION OF INDIA LIMITED, NEW DELHI ON THE SUPPLIER,
M/S.....FOR Import of
.....

FURTHER, CERTIFIED THAT WE HAVE RECEIVED THE SAID EQUIPMENT(S)/INSTRUMENT(S)
AS PER OUR APPROVED SPECIFICATIONS UNDER AIRWAY BILL/BL NO.....
DATED..... AND COMMERCIAL INVOICE(S) NO. DATED.....
IN GOOD ORDER AND THE SAME IS/ARE WORKING SATISFACTORILY AFTER ITS/THEIR
RECEIPT/INSTALLATION/ DEMONSTRATION AT OUR FACILITIES.

HENCE, STC NEW DELHI IS AUTHORISED TO RELEASE 100% PAYMENT TO THE SUPPLIER.

SIGNATURE OF THE CONSIGNEE/
AUTHORISED PERSON OF THE END-USER DEPARTMENT
(NAME AND DESIGNATION OF THE SIGNATORY)
SEAL OF THE END-USER DEPARTMENT/CONSIGNEE

PLACE: -----

DATE:-----
.....