

\* **Introduction** - document is broadly defined under various legislations offering specific interpretations.

↳ **General clause Act** : Document = " Any matter written or expressed on any substance for recording purpose."

↳ **Co. Act, 2013** : Document = " includes summons, notices, requisition, order, declaration, form, register whether  $\left. \begin{array}{l} \rightarrow \text{issued} \\ \rightarrow \text{sent} \\ \rightarrow \text{kept} \end{array} \right\}$  under any law for time being in

force, maintained in  $\left( \begin{array}{l} \text{paper} \\ \text{OR} \\ \text{electronic form.} \end{array} \right.$

↳ **IT Act, 1961** - recognizes "electronic record" as valid documents.

↳ **Business docs** encompasses  $\left\{ \begin{array}{l} \rightarrow \text{Deeds} \\ \rightarrow \text{contracts} \\ \rightarrow \text{circulars} \\ \rightarrow \text{public notices.} \end{array} \right.$

\* **DEED** → A deed may be defined as a formal writing of non-testamentary character which :

$\left. \begin{array}{l} \text{creates} \\ \text{declares} \\ \text{confirm} \\ \text{assign} \\ \text{limit} \\ \text{extinguish} \end{array} \right\} \text{some} \rightarrow \left\{ \begin{array}{l} \text{title} \\ \text{right} \\ \text{interest} \end{array} \right.$

CEDAL  
of  
RTI

If it is written on paper, vellum or parchment } sealed, signed, delivered } to transfer Rights, interest, property or create obligation on other party.

According to Hursbunry law of England → Deed = written instrument that expresses the intention of a person to create rights, obligations, claims.

↳ unlike a mere promise, a deed represents a present grant that should be in writing and must be sealed, signed and delivered to be enforceable.

All Deeds = Instrument  
All Instrument ≠ Deed.

\* Agreement → An agreement enforceable by law is termed as contract, typically in writing.

- it requires at least 2 parties to agree on certain actions / obligations, aiming to bind them to the agreed terms.
- effective contract drafting should convey the parties' intention + use simple / precise language while avoiding terms like proper, reasonable } to minimize future disputes.

if material terms of contract are clear and specific, omission of certain details, which can be worked out by consent of parties or in its absence be settled by court - will not invalidate the agreement.

↳ Agreement should be drafted by both parties and not as Deed poll.

### \* Types of Agreements →

- sale / purchase agreement
- commercial agency
- collaboration agreements
- Arbitration agreements
- Hypothecation agreement
- outsourcing agreement
- Agreement to assign
- s/h agreement
- Employment / service agreement.

### \* contract →

- ↳ An agreement = basis of contract
- ↳ Every promise / set of promise constitutes an agreement.
- ↳ proposal becomes promise when accepted, leading to formation of an agreement.
  
- ↳ All contracts = agreements  
But all agreements ≠ contract.

## \* Difference b/w Deeds, Agreements and contracts →

	Deed	Agreement	Contract
Meaning	written instrument with an intention to create rights and obligations.	Every promise / set of promise, forming consideration for each other = agreement.	An agreement enforceable by law.
Mode	preferred in writing	may be <sup>oral</sup> written	preferred in writing
Purpose.	creation of rights / liab / obligations.	Agreement to act / not to act	Enforceability in law.
creation of Records	Yes	not necessary	Yes
Example	Sale Deed lease Deed	NDA JV Agreements	Agreements reduced to writing and enforceable under law.

## \* following agreements are **NOT** contracts →

agreement relating to social matters such as go to cinema, walk together

Domestic arrangements b/w husband & wife.

## \* circulars →

→ A circular as defined by Cambridge Dictionary →  
" a letter / notice sent to a large no. of people to disseminate inf. "

↳ Typically written to create a permanent record, circulars can be issued in various formats, though e-methods like websites and email are now common, alongside traditional printed copies.

↳ various entities such as { company directors } use circulars to :  
{ govt. bodies }

communicate { policy clarification } to { EE }  
{ information } { sth }  
public at large.

## \* Imp points for drafting a circular →

① Issuing authority → clearly state the issuing authority to clarify addressor's position and enhance compliance

② Details of addressee → Includes names & designations of addressee to ensure effective communication.

③ Subject → Specify subject to attract attention and reduce the likelihood of circular being overlooked.

④ Reference to preceding info → Mention prior related info. for { completeness and } clarity.

⑤ Main info → provide { clear } info. to avoid ambiguity.  
{ comprehensive }

⑥ Source of Authority → Indicate the authority under which circular is issued to increase its importance.

⑦ Signature → Signature makes circular more reliable.

### \* Advantages of circular →

① Easy dissemination of info. → Circulars facilitate smooth circulation of info. within organizations.

② Economical → They provide a cost effective way to reach a large audience.

③ Expeditions → Circulars allow for quick dissemination of imp. info. saving  $\left\{ \begin{array}{l} \text{time} \\ \text{effort} \end{array} \right.$

④ less efforts → Issuing circular requires minimal efforts while delivering effective results.

⑤ develop consciousness → Regular use of circulars enhances awareness among addressee and improves overall effectiveness.

# \* Specimen CIRCULAR \*

Circular No. 001

JK Shah Enterprise

Address \_\_\_\_\_

To,

All Employees of JK Shah

Subject: CIRCULAR REGARDING LEAVE

Sir/Madam,

1. It is to clarify that there shall be a leave on 20<sup>th</sup> of May of 2024.
2. That Maharashtra elections are going to be conducted on that day, every employee is requested to cast a vote.
3. That it is further informed, the Saturday of that week shall be working for all the employees.

Place:

Date:

Yours faithfully,  
Name

JK Shah.

## \* Addn topics of Circular:

- exams postpone due to elections
- club under maintainence
- water supply not available for 1 day
- change of name etc.

## \* PUBLIC NOTICES →

↳ public notices are used to inform a large audience (public) about public interest, typically issued by govt. agencies or organisations.

→ They convey imp. info. like changes in law, company statutes etc.

→ Public notices are published through websites  
newspapers  
channels

### \* who issues public notices :

CG/SG

↓  
Corporates

↓  
statutory  
corporation

↓  
authorised persons  
of various authorities

### \* How to draft a public Notice ?

① Name of issuer - to ensure clarity & attract attention.

② Details of issuer - relevant details of issuer org. for readers needing further info.

③ Title Heading - use clear wording to convey purpose of notice & engage interested readers.

④ Comprehensive details - present info. comprehensively, considering available space and cost.

⑤ Statutory / Regulatory Requirement - Refer any applicable statutes / regulations if notice is published to comply with legal requirements.

⑥ Date and place - of public notice issuance.

⑦ Designation of issuer - Include designation of issuer and name of relevant authority.



# \* Specimen Public Notice \*

classmate

Date \_\_\_\_\_  
Page 179

Government of India  
Election Commission of India  
Parliament of India, New  
Delhi

Company's name \_\_\_\_\_  
CIN \_\_\_\_\_  
Reg office \_\_\_\_\_  
Fax \_\_\_\_\_

Contact \_\_\_\_\_ Email \_\_\_\_\_ Fax \_\_\_\_\_

Subject : ELECTION POLL TO BE CONDUCTED IN STATE OF MAHARASHTRA.

This is to inform the public at large that elections in state of Maharashtra shall be conducted on 20th of May of 2024.

That every citizen <sup>of India</sup> shall have a right to vote with utmost democracy<sup>1</sup>.

This is also to inform anybody who has aged 18 years are eligible to vote and in case they have not registered, they can register themselves in the website [www.eci.gov.in](http://www.eci.gov.in) as earliest as possible.

Place : New Delhi

Date : 20th April 2024  
(20/04/2024)

(PM) or  
Name \_\_\_\_\_

Comm<sup>n</sup> of ECI

Additional topics →

→ lockdown

→ change in CCI limits

→ change in any law etc.

only theory

\* Standard Bids and Tenders →

co. gives  
Bids

govt. issues  
invitation to offer

classmate  
Date 180  
Page

Tender → A tender is a formal offer to supply goods/services at an agreed price, often initiated by large org. (govt.)

→ The tendering process invites bids from eligible bidders, promoting competition & ensuring timely resource availability.

→ It is a formal and legally binding process that allows the issuing authority to set the T & C, provided they comply with legal standards and they are fair.

\* Imp. considerations for preparing a document for Tendering process →

① Name & address → clearly state org.'s name + address on first page.

② Subject of document → provide a clear and comprehensive subject line to attract bidders.

③ Index of tender document → Include an index for easy navigation of document

④ Imp. dates and necessary info → Info. such as essential dates, pre-bid meeting, earnest money deposit, submission deadline, bid opening dates should be clearly provided in Tender document.

⑤ Disclaimer clause → Add a disclaimer regarding reservations and observations of tender docs.

⑥ Job description → offer a detailed job description to help bidders understand the requirements.

⑦ Division of tender doc → Structure the tender into 2 parts  
 ↙ Technical  
 ↘ financial.

⑧ Fees and deposit → Specify fees, EMD, security deposit requirements.

⑨ Conditions for forfeiture of EMD → General conditions in which EMD be forfeited are as under →

bidder ↓	selected bidder ↓	selected bidder fails to ↓
withdraw the bid	delays / does not accept work order	supply goods / services as per T & C of tender (a) fails to execute work order.

⑩ pre-bid meeting → Conduct meeting to clarify any tender related queries.

⑪ Scope of work → clearly define the scope of work involved.

⑫ Technical & adm<sup>n</sup> requirements → Specify all requirements to prevent issues during execution.

⑬ Eligibility criteria → state the essential requirements for bidders.

⑭ necessary forms & docs → provide formats for bids and list of required docs for submission.

\* **Case law**: Tata cellular vs. Union of

India →

→ Terms of invitation of tender cannot be open to judicial review because invitation of tender are of paramount importance (realm) in the contract.

→ Decision to accept tender is reached through negotiations.

→ However, if tender conditions are found to be arbitrary (a) lack a proper evaluation procedure (a) fail to meet Wednesday principle of reasonableness, they may be deemed irrational + invalid under Article 14 of COI.

\* **Bank Guarantee** → It is a non-fund based facility provided by Banks, ensuring that a debtors liability will be met if they <sup>fail to</sup> fulfill their contractual obligations.

- it involves 3 parties Bank beneficiary  
applicant seeking guarantee.

- The Bank acts <sup>as</sup> an assurance to beneficiary, promising to pay a specified amount if applicant defaults in their obligations.

**financial Guarantee**

[This guarantees that the applicant will meet their financial obligations.

If applicant defaults, bank is liable to pay. Eg - Guarantees for revenue dues, taxes etc.]

**performance Guarantee.**

[This ensures that a specific task will be completed as agreed in guarantee document. Eg - Bid bonds / retention money guarantee.]

\* Specimen Bank Guarantee \*

\* Performance Guarantee \*

THIS CONTRACT OF PERFORMANCE GUARANTEE executed on 5<sup>th</sup> of April 2024. at Pune.

BY AND BETWEEN

ABC Bank Ltd [Hereinafter referred to as "Bank" or "party of 1st part" and shall include AR]

AND

Govt. of Maharashtra [Represented through Governor, hereinafter referred to as "creditor" or "party of 2nd part" and shall include AR]

WHEREAS Govt. invited tenders for construction of flyovers in Pune city from Khindsi to Dal.

AND WHEREAS Vascon Builders Ltd [Hereinafter referred to as "company"] submitted their bids and same was approved by govt.

AND WHEREAS against the total project of Rs. 5000 CR [Rupees five ~~hundred~~ <sup>thousand</sup> crore only], govt. decides to make an advance of ₹ 500 CR [Rupees five hundred crore only] to the company for which it demanded Bank guarantee towards its performance.

AND WHEREAS the company approached the Bank for providing said guarantee to the govt. and hence this agreement.

NOW THIS DEED WITNESSES AS UNDER:

① Advance payment -

That the govt shall provide an advance of Rs. 500 CR towards said construction for which Bank guarantee was given.

② Guarantee -

That if default is made by company in performance of their part of contract, Bank shall repay advance sum of Rs. 500 CR [Rupees five hundred crores only] to govt. along with interest @ 15% p.a. beginning from date of this agreement.

That in case of change in structure / constitution of Bank in any matter would not vary the liability of Bank towards govt. in case of default by the contractor.

For ABC Bank Ltd

MD

Party of 1st part

For Govt. of Maharashtra

Governor

Party of 2nd part.

## \* BYE - LAWS :

- a Bye-law is a law made by local authority that applies only within its jurisdiction.
- org. create byelaws to regulate specific subjects for orderly development.
- nature of byelaws whether  $\left\{ \begin{array}{l} \text{directory} \\ \text{mandatory} \end{array} \right\}$  depends on subject matter and language used in legislation.
- Authority to frame byelaws comes from legislative enactments / laws.
- Byelaws are recognised by COI + other statutes.

## \* When a Bye law should be made?

- According to section 22 of GCA - "when a Central Act / Regulation is passed but not immediately in force, it grants the power to create byelaws related to  $\left\{ \begin{array}{l} \text{appln} \\ \text{est. of courts / offices} \\ \text{procedural details.} \end{array} \right.$
- This power can be exercised after the Act's passage, but any  $\left\{ \begin{array}{l} \text{rules} \\ \text{orders} \\ \text{bye laws} \end{array} \right\}$  will not take effect once the Act commences!

# \* Specimen Bye laws of Society \*

## BYE - LAWS of Amul co-operative Societies

### 1. GENERAL -

- Name is Amul
- The society is registered under Gujarat
- The bye laws may not be amended except with approval of competent authority.

### 2. DEFINITIONS -

- certificate of membership - means certificate of membership granted under Bye law.
- Governing body: means Board of society.
- Relative: same meaning as under IT Act 1961.

### 3. OBJECTIVES -

- To produce & provide safe food.
- To deliver ecosystem that helps to identify adulteration in food
- To prevent adulteration.
- Society shall carry on functions as decided by Board
- Society will not carry on any function inconsistent with its objectives.

### 4. DUTIES OF SOCIETY -

- maintain high ethical & professional standards in regulation of members.



Society shall -

- (a) ensure compliance with statutory requirements  
 (b) employ (fair, reasonable, just) practices for enrollment of members.

(c) be accountable to Board in relation to bye laws.

### 5. COMMITTEES OF SOCIETY →

- Advisory committee
- finance committee (max 10 members)
- Disciplinary committee (max 10 members)

Committees shall meet at such  $\left\{ \begin{array}{l} \text{time} \\ \text{place} \end{array} \right\}$  as decided.

### 6. ELIGIBILITY - [for enrollment] -

Person may be enrolled as a member on payment of fees of ₹ 10,000. [ten thousand only]

### 7. MEMBERSHIP FEES -

Society may require members to pay a fixed sum of ₹ 10,000 annually.

### 8. DISCIPLINARY PROCEEDINGS -

Disciplinary committee may initiate disciplinary proceedings by issuing show-cause notice against members -

on reference made by Board.

↓  
following directions of Board / court of law.

↓  
suo moto based on any info. received by it.

### 9. SURRENDER OF MEMBERSHIP -

- by submitting an appl<sup>n</sup>, a member may surrender his membership.
- on acceptance of such surrender and on completion of thirty days from date of acceptance, name of member shall be struck off from register of society.

### 10. EXPULSION OF MEMBERSHIP -

- on expiry of 30 days from order of disc. Committee
- non-payment of membership fees
- order of <sup>court of</sup> law.
- cancellation of membership by Board.

### \* Show-cause notice →

- A Showcause notice is a document issued to a party to explain/defend against certain allegations.
- It outlines the issues and gives the recipient a chance to respond.
- SCN can be issued by various authorities incl. courts and employers and are grounded in the principles of natural justice, specially the Right to be heard [audi alteram partem]
- This ensures that nobody is unfairly judged without OOBH.

## \* Essentials of Show cause notice →

- contain name of issuer
- in writing
- written in clear language to avoid ambiguity.
- mention correct + brief facts.
- if there is violation of law - mention.
- info. in SCN should not be vague.
- proposed action should be mentioned in SCN.
- time limits should be mentioned in SCN.
- Adequate time should be given for reply.
- provide references (annexures) if required.
- mode of representation should be mentioned.
- address of authority should be mentioned.
- SCN should be dated.

## \* Specimen of SCN →

CCI

Tel

Fax

Email

Address

Date

To,

Reliance Industries

(Address)

Subject : VIOLATION OF PROVISIONS OF SECTION 3 &  
4 of COMPETITION ACT, 2002 →

Sir,

During our inspection of your registered office of your company on 1st of April 2024 by undersigned, violation of provisions of section 3 & 4 was observed. The details of violation are as under -

1. Tie in arrangement.
2. Cartel was created by company.
3. Abuse of Dominant position by company.

In connection with this, it is brought to your notice that the above violation of said section constitutes an offence under competition Act, 2002. You are therefore required to show cause within a period of 30 days from date of issue of this notice.

Please note that no further notice will be given to you in this regard.

Yours Truly

Mr. Ram (Name)

Designation { (Director General/  
Chairman)

## \* Standing orders →

- ↳ standing orders are rules that outline imp. aspects of employment in workplace like
  - ↳ hiring / firing
  - ↳ discipline
  - ↳ holidays / leave etc.
- ↳ The Industrial Employment (Standing orders) Act requires employers with 100 or more workers to clearly define these rules and get them certified.
- ↳ These rules cover things like
  - ↳ job classification
  - ↳ work shifts
  - ↳ payment
  - ↳ termination etc.
- ↳ once these rules are set and made known to workers, both in English and local language, the employer cannot change them in a way that harms the workers' rights & interests.
- ↳ This means that new workers can review & accept these conditions before joining the company!

## \* Imp. aspects for issuing standing orders →

1. Employer must submit 5 copies of their proposed standing orders to certifying officer for approval.
2. Draft must align with model standing order and include all relevant topics mentioned in schedule.
3. Draft must also include details of workers like trade union affiliation, if applicable.
4. certifying officer is responsible for assessing the fairness and reasonableness of standing orders.



- ⑥ Entry Rules - Requirements for entering premises & possibility of searches.
- ⑦ Work stoppages - policies on closing & opening sections of workplace and related rights & responsibilities.
- ⑧ Termination - Rules regarding termination of employment and notice requirements.
- ⑨ Misconduct - Grounds for suspension / dismissal due to misconduct.
- ⑩ Redressal mechanism → options available to workers to address unfair treatment by employer.
- ⑪ Add<sup>n</sup> matters - Any other prescribed issues under Industrial Employment (Standing orders) Act, 1946.

### \* Model Standing order \*

#### (I) SERVICE RECORD -

- Service card - Each worker must have a service card with their details, maintained with their knowledge.
- certificate of service - workers are entitled to service ~~cards~~ / certificate upon discharge / termination, stating their role & employment duration.
- Residential address - workers must notify employers their residential address and any changes.

- Record of age - workers must provide their DOB at time of hiring, supported by official docs (like school leaving certificate/municipal record etc). If those are not available, medical officer's certificate may suffice.
- finalization of Birth Record - All details w.r.t. DOB must be completed within 3 months from employment.
- Reopening cases - Previously decided DOB at time these rules take effect cannot be challenged.
- Note on uncertain DOB - If only year of birth is known, July 1 of that year will be taken as DOB.

(2) CONFIRMATION - Employers must confirm eligible workers based on their appointment terms and update the service card within 30 days of confirmation.

(3) AGE OF RETIREMENT - Retirement age is determined by agreement (specified in settlement). If not, it defaults to 58 years.

(4) TRANSFER - workers may be transferred within the org. without adverse effects on wages/conditions, but consent is needed for state to state moves. Workers receive travel allowances for such transfers.



- (5) MEDICAL AID FOR ACCIDENTS - Employers must provide medical assistance to workers injured on job & cover treatment costs, especially under insurance laws.
- (6) SECRECY - workers cannot take co. property or disclose confidential info. without permission.
- (7) MEDICAL EXAMINATION - Employers must arrange medical examinations for new workers at their expense.
- (8) EXCLUSIVE SERVICE - workers must not engage in activities that conflict with their employer's interests or take add<sup>n</sup> jobs that may harm their primary employment.

\* **BONDS** → A Bond is a formal document where a person agrees to do something. There are different types like surety bonds / financial bonds / bail bonds / others, each serving specific purposes.

↳ for example, surety Bonds ensure that a task is completed, while Bail bonds guarantee that a person will show up for court.

↳ overall, Bonds are used to secure commitments → obligations.

## \* Specimen BAIL BOND \*

I, Chor (name) of Mumbai (place), have <sup>(Thane)</sup> been arrested (or brought to court of Mumbai) for charge of Robbery.

I agree to provide security for my attendance in court & promise to appear on everyday of investigation or trial regarding this charge. If I fail to do so, I will forfeit Rupees 10,000 (Ten thousand only) to govt.

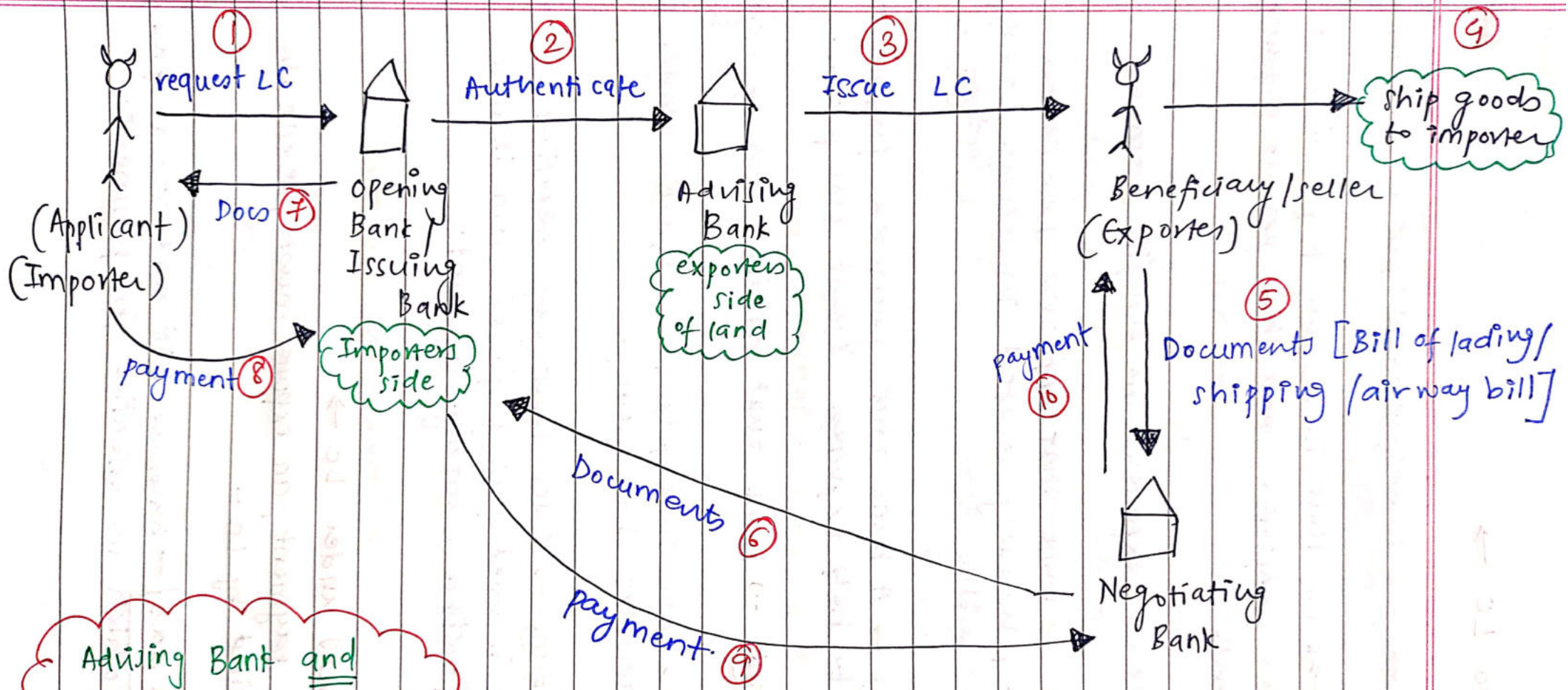
Date : 1<sup>st</sup> Jan' 2024

01/01/2024

(Signature)

## \* Letter of Credit (LC) →

- ↳ LC is a payment method mostly used in international trade.
- ↳ It involves buyer's Bank agreeing to pay the seller once the seller provides specific docs outlined in LC.
- ↳ This mechanism is imp because exporters often don't know their buyers personally.
- ↳ Without an LC, exporter's risk losing money if buyer fails to pay after receiving the goods.
- ↳ To minimize this risk, exporters request that buyers obtain LC from their Bank, ensuring payment before shipping the goods.



Advising Bank and Negotiating Bank can be the same.

## \* parties to LC →

- ① Applicant Bank → Bank that opens LC for buyer / importer.
- ② Issuing Bank → Bank that issues LC & promises to pay seller / exporter when they provide required documents.
- ③ Beneficiary → seller / exporter who benefits from LC.
- ④ Advising Bank → Bank that informs the seller about LC, usually located in seller's country (foreign) ↓.
- ⑤ Confirming Bank → A bank that guarantees payment on LC to help exporters trust the process.
- ⑥ Negotiating Bank → Bank that handles docs of exporter / LC.
- ⑦ Paying Bank → Bank that pays the exporter under LC and transfers the money.
- ⑧ Reimbursing Bank → Bank that pays negotiating Bank when LC is used, using funds from issuing Bank's foreign currency account.

## \* Documents under LC →

To receive payment, an exporter must present the docs required by LC -

- ① Financial docs - Such as BOE and co-accepted draft, which are essential for payment.

- ② **Commercial docs** - Incl. Invoice and packing list, detailing the sale, quantities & total amount.
- ③ **Shipping docs** - like Bill of lading, airway bill, lorry receipt, railway receipt, serving a proof that goods are dispatched.
- ④ **Official docs** - licenses, certificate of origin, inspection certificate, health certificate etc.
- ⑤ **Insurance docs** - An insurance policy / certificate to cover the goods as per LC terms, signed by the insurance company.

These docs ensure compliance with LC & facilitate payment.

### \* Types of LC →

#### ① Document LC & Clean LC →

↓  
where you require docs from exporter  
~~no docs~~

↓  
where you don't require docs (shipping bill / bill of lading) from exporter / seller.

Document

#### ② Fixed and revolving credit →

↓  
term of BOE is fixed  
- monthly  
- quarterly  
- half yearly  
- yearly etc.

↓  
term of BOE = not fixed

fixed

Total Amt = fixed.

③ Revokable and irrevokable LC →



T f c of LC can be modified without prior notice to Beneficiary / seller / Bank

opposite

irrevokable

④ Confirmed & unconfirmed LC →



Bank in add<sup>n</sup> to LC issuing Bank undertakes the responsibility of payment under LC

Required because LC issuing Bank may not be known to exporter and he ∴ needs a reputed Bank from his country to add confirmation to LC.

{ Eg - if issuing Bank = Bank of Maharashtra  
confirming Bank = SBI

- Advising Bank can also act as confirming Bank  
But why will AB hold liability of CB

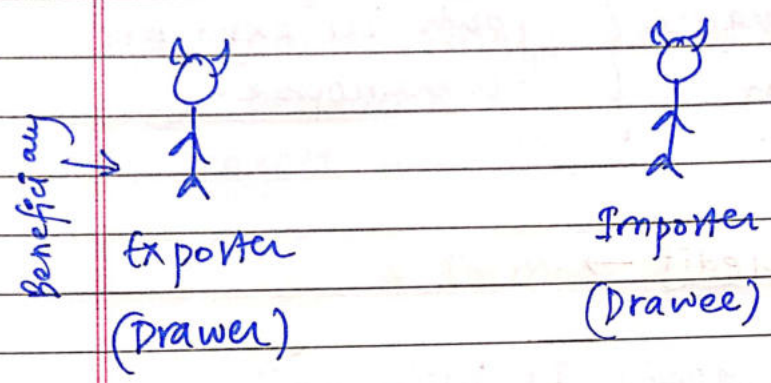
↓  
exporter's land.

↓  
∴ CB is always in land of importer and is a strong Bank like SBI.

can be any

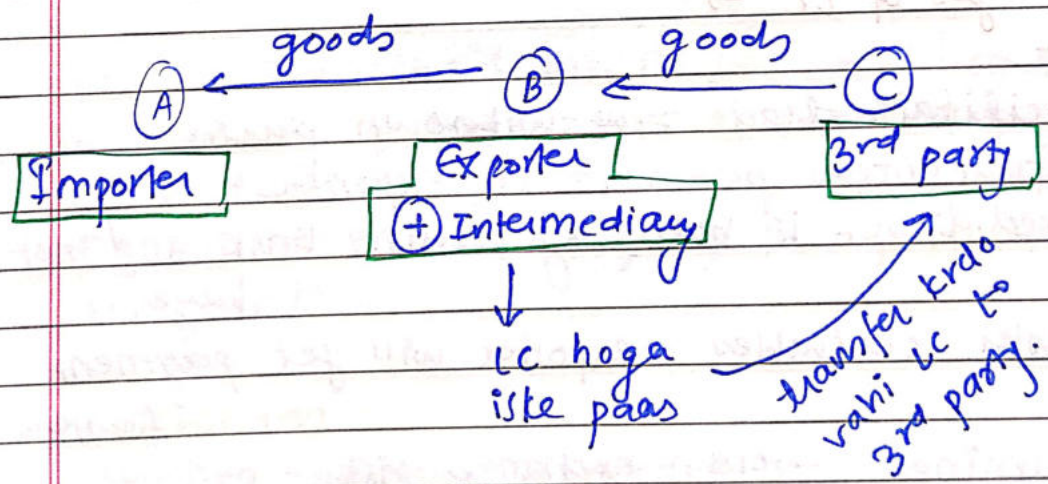
⑤ with or without recourse (coming back) →

↓  
return to drawer                      ↓  
don't return to drawer.

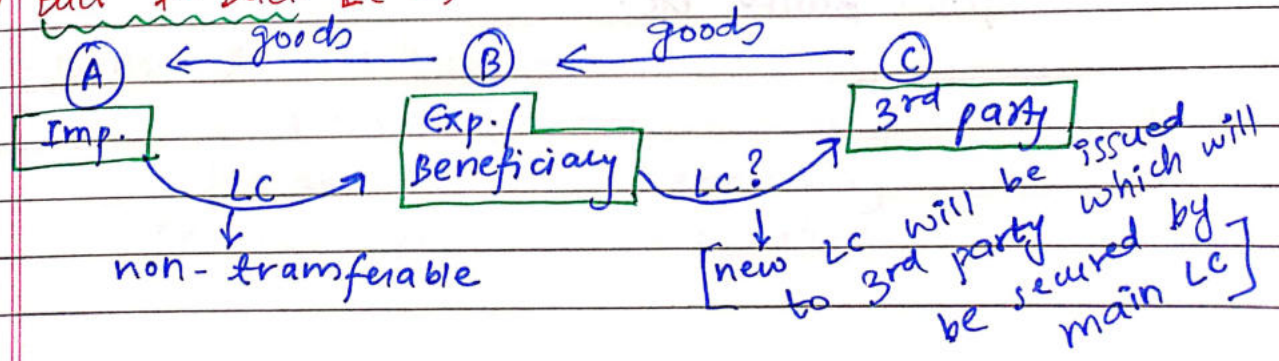


payee? → issuing Bank (via via payment jayega)  
point ⑧ ⑨ in chart of LC.

⑥ Transferable LC →



⑦ Back to Back LC →



### ⑧ LC with Red and Green clause →

- written in Red ink
- red ink me likha h LC me that means you can take advance from issuing Bank before giving docs.

- extrn of red clause
- allowing advances for storage of goods in exporter's warehouse

### ⑨ Instalment credit →

give shipment of goods in instalments

- payment once
- shipment in instalments for security against any loss.

### \* Advantages of LC →

To exporter -

- ① facilitates trade b/w unknown parties
- ② Guarantees payment to exporter
- ③ credit risk is borne by issuing Bank and not buyer.
- ④ faster receivables - exporter will get payment faster
- ⑤ eliminate foreign exchange risk
- ⑥ Allows exporter to obtain finance / advances from Banks etc.



To importer -

- (a) Security in transaction - payment only when docs are received.
- (b) importer can specify terms of shipment
- (c) Risk mitigation
- (d) Enables importing with confidence
- (e) payment will be made only once seller meets conditions laid down in LC.

\* Format of LC \*

Date - 01/01/2024

To, Mohishka (Beneficiary)

New York, USA (Address)

Irrevocable revolving standby letter of credit no. 001

At the Request of Ms. Priya, residing at Mumbai, we, Bank of Maharashtra, Ghatkopar Branch, issue this LC in favour of Ms. Mohishka for \$1 million (face value) on the following terms and conditions -

1. Definitions -

Trading currency - means INR

INR - means Indian Rupees.

2. Terms & conditions -

- Issuing Bank unconditionally & irrevocably undertakes to the Beneficiary that this LC shall cover a face value.

- The issuing Bank will honour the claim without any issues & pay to the beneficiary the amt. requested.
  - This LC is without recourse
  - This LC is a document LC i.e. payment shall be conditional on receiving the documents.
  - The Bank shall make an interest payment of @ 10% p.a. from demand date to payment date.
  - LC shall not be affected due to any change in constitution of Bank or change in Indian laws.
  - They shall allow the beneficiary to transfer the LC.
  - They shall not amend any terms without the consent of Beneficiary / exporter
3. Term, Extension & expiry -
- This LC shall be for a term of 3 years from date of issue as mentioned above
  - It shall be extended but interest rate shall be @ 15% p.a.
  - LC shall expire once the payment is done.

## 4. Payments -

- All payments denominated in Dollar shall be paid in INR or in US Dollar which ever requested.

## 5. Delivery of Demand &amp; supporting Docs -

- Each demand shall be in writing & shall be received by the issuing Bank which is Bank of Maharashtra, Ghatkopar Branch

- Each demand shall be with a supporting invoice.

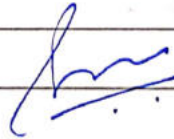
## 6. Governing law -

This LC shall be governed by Indian laws.

## 7. Jurisdiction -

The courts / tribunals of Maharashtra shall have jurisdiction.

Yours faithfully  
(Issuing Bank)



(Branch Manager)  
(Bank of Maharashtra)

\* FORM OF DEMAND \*

Date - 01/06/2024

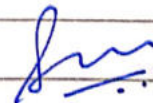
To,  
Bank of Maharashtra  
Ghatkopar Branch

Sub - Irrevocable revolving Standby LC no. 001.

Sir/Madam,

1. We certify that sum of Rupees 50 lakhs (fifty lakhs only) is due as of 01/06/2024 against the invoice no. 001 dated 01/04/2024. We therefore demand payment along with interest.
2. All docs are enclosed herewith.
3. Payment should be made to following A/c -  
Name - Mohishka  
Account no. - XXXXXX 4567  
Bank - Bank of ~~At~~ America.
4. The date of this demand is not later than expiry date.

Yours faithfully



Mohishka  
(Director of ABC Ltd)