

Form of Letter of Credit (L/C)

To: [IGX]

[Date]

Address:

Irrevocable Revolving Standby Letter of Credit no. []

At the request of _____, <address> (“**Applicant**”), we, _____, <address> (“**Issuing Bank**”) issue this irrevocable, revolving, standby Letter of Credit (“**Letter of Credit**”) in favour of _____, <address> (the “**Beneficiary**”) for [●] (the “**Face Value**”) (and such additional value as provided herein) covering amounts owed to the Beneficiary under the Agreement or for which the Beneficiary otherwise has the rights under this Letter of Credit to draw down amounts, all on the following terms and conditions:

1. Definition in this Letter of Credit:

“**Advising Bank**” means the bank whose details are provided by Beneficiary at the time of opening of this Letter of Credit, or any other bank as notified by Beneficiary from time to time, in each case, for the purpose of advising this Letter of Credit to Beneficiary.

“**Agreement**” means the agreement titled [●] dated [●], executed between the Beneficiary (including its successors and permitted assigns), as IGX and the Applicant (including its successors and permitted assigns), as Member, for trading of the Gas Contracts by the Member for use by the Member/Client as agreed.

“**Banking Day**” means a day on which commercial banks are open for general commercial business in the city of Delhi, India.

“**Demand**” means a demand for a payment under this Letter of Credit in the form of the Schedule to this Letter of Credit duly supported by the documents prescribed under Clause 5.2 of this Letter of Credit.

“**Expiry Date**” means the date calculated in accordance with Clause 3.a (iii) of this Letter of Credit.

“**Trading Currency**” means INR [●].

“**INR**” means Indian Rupees.

2. Terms and Conditions:

- a. The Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that this Letter of Credit shall cover a Face Value.
- a. This Letter of Credit (L/C) shall also cover requests against partial payment and/or multiple drawings.
- b. Subject to the terms of this Letter of Credit, the Beneficiary may request partial and/or multiple drawings under this Letter of Credit by submitting a Demand to the Issuing Bank at its counters in Delhi in relation to each such drawing.
- c. Subject to the terms of this Letter of Credit, the Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, on the day of receipt by it of a Demand, it will honour the claim without demur and pay to the Beneficiary the amount requested in that Demand.

- d. The Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, following any payment pursuant to a Demand, it shall automatically and immediately thereafter reinstate the value of this Letter of Credit by the amount paid in order to restore this Letter of Credit to the Face Value. The Issuing Bank shall notify the Beneficiary immediately after any reinstatement of this Letter of Credit to the Face Value.
- e. This Standby Irrevocable Revolving Letter of Credit (L/C) is available for negotiation directly with the issuing Bank/Branch or through Beneficiary's Banker without recourse to the Applicant.
- f. The issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that if the payment pursuant to any demand is not made at sight, interest @ SBI Base Rate+6.25% p.a. would be payable from the date of such demand till the date of actual payment.
- g. This Letter of Credit shall not be discharged by any change in the Issuing Bank's constitution, constitution of Beneficiary or that of the Applicant or change in applicable Indian laws.
- h. Opening, renewal, reinstatement, amendment, negotiation, and any other charges, if any, related to this Letter of Credit levied by the Issuing Bank shall be paid by the Applicant. Failure of the Applicant to make such payments shall not affect the Issuing Bank's obligations under this Letter of Credit and the Beneficiary shall be paid the money due to it under this Letter of Credit without any deduction.
- i. The Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, if at least fifteen (15) days prior to expiry of this Letter of Credit, Applicant fails to replace or renew such Letter of Credit with another letter of credit then, Beneficiary shall be entitled to draw down the full value of this Letter of Credit as security for payment of amounts payable by the Applicant.
- j. The Issuing Bank shall allow Beneficiary to assign this Letter of Credit for the benefit of Beneficiary's lenders or Beneficiary's successors and permitted assigns.
- k. The Issuing Bank undertakes not to amend any of the terms and conditions of this letter of credit (L/C) without prior consent of Beneficiary during the validity of this Letter of Credit (L/C).
- l. The issuing Bank certifies that the officer signing this L/C is authorised for this purpose and shall remain binding upon the issuing bank.
- m. The Issuing Bank shall forward and submit this Letter of Credit to the Advising Bank for advising of this Letter of Credit to Beneficiary.
- n. All bank charges including negotiation, handling, amendment, renewal, interest charges and any other charges shall be borne by the opener of Letter of Credit (L/C) i.e. by the Applicant.
- o. Payment against this Letter of Credit (L/C) shall be made to the beneficiary immediately on presentation of a copy of any of the documents such as Invoices/Provisional invoices/Debit notes/ Statement of claim / Demand Letter/ Claim letter etc. at any time within the validity period of the Letter of Credit (L/C).

3. Term, Extension and Expiry:

a. Terms:

- i. This Letter of Credit is issued on the date above with an initial term of **twelve (12) calendar months**.
- ii. The Issuing Bank shall renew this Letter of Credit no later than fifteen (15) days before the expiry of this Letter of Credit for a further period of twelve (12) calendar months or in the event of no further extension of the Agreement, for a further period of **90 days from the End Date**.
- iii. This Letter of Credit shall terminate on the date notified by the Beneficiary in writing to the Issuing Bank, giving not less than five (5) Banking Days' notice of such termination.

b. Expiry:

- i. Without prejudice to Clause 3.b (ii) of this Letter of Credit, the Issuing Bank will be released from its obligations under this Letter of Credit at the close of business on the Expiry Date as per Clause 3.a (iii) of this Letter of Credit.
- ii. On expiry of this Letter of Credit the obligations of the Issuing Bank under this Letter of Credit will cease with no further liability on the part of the Issuing Bank except for any Demand validly presented under this Letter of Credit that remains unpaid. If a Demand has been received by the Issuing Bank not later than the Expiry Date, the Issuing Bank's obligation to pay hereunder shall be deemed accrued notwithstanding that the due date for payment may fall after the Expiry Date.
- iii. When the Issuing Bank is no longer under any further obligations under this Letter of Credit, the Beneficiary shall return the original of this Letter of Credit to the Issuing Bank.

4. Payments:

- a. All payments denominated in US\$ under this Letter of Credit shall be paid in INR by converting the amount due at the Exchange Rate or in US\$ on request of the Beneficiary.
- b. All payments under this Letter of Credit shall be made for full value in immediately available funds (without any set-off, withholding or deduction) and shall be made on the day of receipt of a Demand to the account of the Beneficiary as set out in the Demand through RTGS or Telegraphic Transfer.

5. Delivery of Demand and Supporting Documents:

a. Delivery:

- i. Each Demand must be in writing, and may be given in person, by post, fax or by electronic communication and must be received by the Issuing Bank at its address as follows:
[Insert Details]
- ii. For the purposes of this Letter of Credit, electronic communication with electronic signature shall be treated as a communication that has been validly given in writing.

b. Supporting Documents:

Each Demand shall be duly supported by a copy of invoice and / or debit notes under the Agreement against which the payment is claimed.

6. Governing Law

This Letter of Credit shall be governed by and construed in accordance with the laws of India.

7. Jurisdiction

The courts and tribunals at Mumbai shall have exclusive jurisdiction over the subject matter of this Letter of Credit.

Yours faithfully

[Issuing Bank]

By:

FORM OF DEMAND

[Date]

To: [Bank]

Regarding: Irrevocable, Revolving, Standby Letter of Credit No. [] issued in favour of _____
("Letter of Credit")

Dear Sirs:

We refer to the above-mentioned Letter of Credit. Terms defined in the Letter of Credit have the same meaning when used in this Demand.

1. We certify that the sum of Rs. [•] is due under the Agreement as of [DATE] against invoice no..... dated and/or debit note no..... dated..... We therefore demand payment of the sum of Rs [•] plus interest as provided in the Letter of Credit.

Alternatives:

The face value of this Letter of credit (L/C) shall be equal to.....
(Rupees.....) The aggregate liability under this Letter of
Credit (L/C) is restricted to Rs.
(Rupees.....).

2. All documents prescribed under Clause 5.2 of the Letter of Credit are enclosed herewith.
3. Payment should be made to the following account:
4. Name:
5. Account Number:
6. Bank:
7. The date of this Demand is not later than the Expiry Date.

Yours faithfully

(Authorised Signatory)

For

[BENEFICIARY].