



POLICY FOR PROCUREMENT BACKED BY 110% SECURITY BYWAY OF BANK GUARANTEE (BG)/LETTER OF CREDIT (LC)

1. FIXATION OF EXPOSURE:

i) Exposure is to be fixed as per the requirement of the customer as well as procurement and as per the internal guidelines of the company. The same shall always be covered by 110% BG/ LC;

Eligibility:

ii) Proprietorship or Partnership firm is not eligible for facilitation of procurement under 110% BG backed policy.

iii) Value of individual proposal should not be less than Rs. 50 Lacs preferably.

2. DOCUMENTS TO BE SUBMITTED:

While giving proposals, intending customers need to submit the following documents for the purpose of signing Agreement:

- a) Memorandum and Articles of Association;
- b) Audited Annual Accounts for last 3 completed financial years;
- c) Brief report on the Organization's Activities;
- d) Details of Directors/ Promoters;
- e) Details of items to be procured through MSTC;
- f) Income Tax PAN;
- g) GST Registration Certificate;
- h) Bank limit Sanction Letters;
- i) Letter from the Director of the company giving details of :-

- i) Whether there is any case initiated against the party under Section 138 of the NI Act or any other criminal proceedings is pending against the party;
- ii) Whether any court case (civil or criminal) is pending between the party and any Public Sector Undertaking/Government Department, if so details thereof.

After processing & requisite checking of those documents, the interested party & MSTC will be sign the MOA on receipt of processing fees as mentioned in clause 5.

After signing of MOA party has to submit BG from any scheduled bank as per the format given by MSTC. On receipt of the BG confirmation (Via SFMS) from issuing bank the proposal for the procurement given by the party will be processed.

3. SERVICE CHARGE/MARK UP:

Service Charge/ Mark-up rate will be on “per month or part thereof” for the usance period, rollover period, per-decided payback period and min/max any period to be mentioned. If the procurement is done through LC/DD, bank charges at actual, will be recovered from the customer in addition to the proposed mark up as above.

4. INTEREST ON OUTFLOW/ INFLOW OF FUND:

Interest rate on RTGS will be declared on yearly basis. Interest will also be given if payment received earlier than the due date. The current rate of interest is 9.75% and 4.75% for outflow and inflow of MSTC fund respectively.

5. PROCESSING FEES:

A non-refundable processing fee of Rs. 1,00,000/- + applicable GST is to be submitted by customer before signing MOA.

6. Interested customers may please contact the RM/BM of nearest office of MSTC. All the details are available under “**contact us**” of MSTC corporate website at www.mstcindia.co.in.