

SHIPPING TERMS AND CONDITIONS –FOB

1.0 Limitations at the Indian Ports relating to dimensions and permissible draught of vessels:

1.1 While-engaging vessel(s) for shipment of the Materials under this Agreement, the Buyer shall take into account the following limitations at Indian Ports relating to the dimensions and permissible draught of the vessel(s):

Name of the Port	Length (LOA) of vessel (Maximum) in Mtrs	Overall Beam Vessel (Max) in Mtrs	Length of Maximum Laden draught of Vessel
Vishakhapatnam	230	32.5	11 - 13 Mtrs. Depending on berth
Haldia	200	32	AWAD*/7-8 Mtrs. Available Water (Subject to River water draft as declared by Haldia Dock Complex)

* Always available arrival draft.

2.0 Sellers Notice of Readiness of the Materials for shipment:

2.1 Keeping in view the contract delivery period and the quantity of the Materials received at the load port(s), the Seller serve on the Buyer, by Fax/e-mail, the Notice of readiness of Materials for shipment (i.e., Seller's NOR) indicating the laycan during which the vessel should arrive, to nominate suitable vessel for shipment of the Materials.

3.0 Type of vessels to be nominated:

3.1 For the shipment of the Materials under this Agreement, the Buyer shall nominate single-decker geared vessel equipped with cranes/derricks (Min 15/25/35 MT capacity) located at each hatch capable of lifting the Materials of the weights and dimensions indicated in the contract in such sling load as tendered by the seller limited to the maximum lifting capacity of the Cranes/Derricks and also capable of placing the Materials in the places of the hatches including wing spaces. In case Forklift/ Hydra cranes requirement becomes essential, the same shall be arranged by the Vessel Owner/by their Agents. In case vessel has Union Purchase system derricks, the same would not be accepted.

Vessels nominated by the buyer should not be over 20 years of age.

On vessel's arrival at load port, if the seller finds that the vessel is not a single decker as per terms of particulars given by the Seller in which case the seller can reject the vessel outright without any liability including dead freight and all other consequences/losses arising thereof that the buyer may incur/suffer.

Buyer to nominate single decker only. If buyer nominates, tween decker vessel, subject to acceptance of the seller, cost, time utilized between completion of loading in LH and commencement of loading in tween deck will not be on SAIL account.

3.2 On arrival of the vessel nominated by the buyer at the load port(s), if the seller considers that the Cranes/gears of the vessel are not capable of lifting the materials of the weights and dimensions indicated in the contract, as a result of which the vessel may not be capable of maintaining the load rate guaranteed by the Seller, an independent marine surveyor shall be appointed at the load port to investigate and to assess the capacities of the Cranes/gears of the vessel and to establish the effective rate of loading which the vessel is capable of maintaining. The findings of the independent marine surveyor shall be final and binding on both the buyer and the seller. The survey charges shall be borne and paid for by the Buyer and the Seller in equal proportions.

3.3 According to the findings of the independent marine surveyors as aforesaid, if the vessel is not found to be capable of maintaining the loading rate guaranteed by the Seller, the effective rate of loading which the vessel may in fact be capable of maintaining as per the findings of the independent marine surveyors, shall be recorded in the Statement of Facts and computation of the laytime used shall be based on the rate of loading as assessed by the independent marine surveyor.

4.0 Nomination of vessel(s) by the Buyer:

4.1 Within 15 days including laydays, from the date of Seller's NOR referred to in Clause 2 above, the Buyer shall nominate suitable vessel, furnishing following particulars in respect of such vessel by Fax/e-mail to the seller viz.

1. VESSEL DETAILS

- 1.1 Name of the Vessel Present & Old & IMO number of vessel
- 1.2 Age and Flag
- 1.3 Nationality of the Ship Owner
- 1.4 Class
- 1.5 Type
- 1.6 Dead Weight Carrying capacity (DWCC)
- 1.7 Dead Weight (DWT)
- 1.8 Draft in metres
- 1.9 Whether Vessel will lift the entire nominated quantity
- 1.10 Vessel Gross Registered Tonnage / Net Registered Tonnage
- 1.11 Whether the vessel is a Tween Decker
- 1.12 Tank top strength
- 1.13 Length Overall (LOA)
- 1.14 Beam Length
- 1.15 Details of previous voyages
- 1.16 Whether vessel carrying any other cargo

2.1 HATCH DETAILS

- 2.1.1 Whether Center Line Bulkhead Exists
- 2.1.2 No. Of Holds / Hatches
- 2.1.3 Type of Hatch Covers and Pontoons

2.2 HATCH DIMENSIONS

- 2.2.1 Cover
- 2.2.2 Opening Tween Decker -Hold-wise
- 2.2.3 Opening Weather Deck - Hold-wise
- 2.2.4 Tween Deck
- 2.2.5 Lower Hatch

2.3 CRANES/DERRICKS

- 2.3.1 No. Of Derricks/cranes
- 2.3.2 Capacity of each Derrick/crane
- 2.3.3 Position of each Crane/derrick
- 2.3.4 Whether Cranes can reach the entire Hatch square area
- 2.3.5 Whether Cargo Gear register endorsed
- 2.3.6 Whether Fork lift is required to stow cargo in Hatch coamings

3 Name of the Vessel agents at load port

4 Loading Term

- 4.1 Demurrage
- 4.2 Dispatch Rate
- 4.3 CQD with no detention charges whatsoever.

5. Laydays (Laydays not to exceed a span of 10 days. Buyer to also indicate estimated time of arrival (ETA) of the vessel at the load port within the laydays)

6. LETTER OF CREDIT points

- 6.1 LC amendments as desired by shipper executed and e-mailed/faxed to shipper.
- 6.2 Last date of shipment (If required to be extended by LC amendment)
- 6.3 Last date of negotiation (To be extended by LC amendment if LDS is extended)

The vessel offered should be free from all encumbrances.

The aforesaid e mail/fax intimation shall be sent by the Buyer to the Seller at the following address:

DGM/GM/ED (ITD)
Steel Authority of India Limited,
International Trade Division,
Central Marketing Organisation,
17th Floor, SCOPE Minar,
North Tower Core -2
Laxmi Nagar District Center,
Delhi 110092
Fax +91-11-22505276

At the time of nomination of the vessel, the buyer would submit the relevant Charter Party/Fixture Note indicating the despatch/demurrage rate at loadport. In case the relevant portion of the Charter Party/Fixture Note indicating the demurrage/dispatch rate at Loadport is not available, the NOR of the vessel shall not be accepted at the loading Port.

- 4.3 Within two working days from the date of receipt of the Buyer's Fax/e-mail as aforesaid, the seller shall inform the Buyer by Fax/e -mail regarding the acceptability of the vessel/suitability of the laydays of the vessel nominated by the Buyer. If the vessel is not accepted by the Seller, the reason for the same would be intimated.

5.0 General provisions to be incorporated in the Charter Party governing shipment of the Materials under the Agreement:

5.1 The Buyer shall endeavour that the charter party governing the shipment of the Materials under the Agreement contains, inter-alia, the following provisions:

- i. The ship owners shall appoint their own agents at the Indian Port(s) of loading. The seller reserves the right to appoint his own protective agent at the Indian Port(s) of loading.
- ii. The ship owners shall bear and pay all port dues/charges related to the vessel except cargo related charges. However Forklifts/ Hydras if used, shall be at the cost of the Buyer/ Vessel owner/Vessels agents.
- iii. Ten days prior to the ETA of the vessel at the load port, the Master of the vessel shall give Fax/e-mail intimation to the seller at the following address:

Branch Manager, Branch Transport & Shipping Office,
Steel Authority of India Limited, Harbour Approach Road,
Vishakhapatnam-530035 (INDIA)
Fax:(0891)2563698;
TELEPHONE:(0891)2704074, 2568885, 2563041-43
E mail: bmtviz@sail-steel.com

OR

Branch Manager, Branch Transport & Shipping Office,
Steel Authority of India Limited., Super Market Building,
First Floor, Durgachak, Haldia, Midnapore-721602(INDIA)
Fax: (03224) 274249
TELEPHONE: (03224) 274194,252178,274218
E mail: tns@sail-steel.com

Thereafter at the interval of 7 days/72 hours/24 hours before the ETA of the vessel at the load port(s) the Master of the vessel shall send Fax /e mail regarding the ETA of the vessel, to the seller at the above mentioned address.

- iv. Each vessel shall hold a gear certificate in conformity with the International Dock Safety Convention, covering the duration of each voyage and confirming that all the gears have been duly tested. The gear certificate shall be made available by the Master of the Vessel to the representative of the Seller for verification after berthing of the vessel at the load port(s), but prior to the commencement of loading. Similarly, the hatch wise loading plan for the Materials shall be furnished by the Master of the Vessel at the time of the serving of Master's NOR. In case the Port Authorities refuse berthing of the vessel for improper stowage plan, the time lost, cost and consequences shall be on account of the Buyer.
- v. The Master of the vessel shall allow on board the representatives of the Independent inspection agency appointed by the seller and provide such information/assistance as may be required by them in connection with the performance of their assigned duties.
- vi. The Master of the vessel shall provide free use of light on board the vessel as may be required for working the vessel at the load port at all times and in each case free of expense to the Seller.

- vii. Subject to the acceptance by the seller of the vessel(s) nominated by the Buyer and subject to the arrival of such vessel(s) at the load port within the agreed laydays with such extensions as may be mutually agreed upon the seller shall deliver the materials as per the relevant contract on FOB (Stowed/Lashed/Dunnaged/Secured) basis, at the agreed port. The Buyer shall arrange to provide to the Master of the vessel at the load port free of cost to the Seller all materials including Dunnage required for stowing, lashing, dunnaging, shoring and securing of the materials inside the hatches /holds of the vessel. However, the labour charges involved in the work of dunnaging/stowing/lashing/shoring and securing of Materials shall be borne and paid for by the seller.
- viii. The opening and closing of the hatches of the vessel shall always be done by the vessel's crew and the cost involved therein and the time used therefore shall be to the account of the vessel. The time used in the initial opening and closing of the hatches shall be to the account of the vessel unless the vessel is on demurrage.
- ix. The time lost due to shifting of the vessel within the port limits shall not count as laytime. However, if the shifting is required by the seller, the shifting charges shall be to the account of the seller and time lost in shifting shall count as laytime.
- x. The overtime of the crew and officers shall be to the account of the vessel.
- xi. If any damage is caused to the vessel at the load port at the time of loading of the Materials by the Stevedores engaged by the Seller, the claim, if any, for such damage shall be settled directly between the ship owners and stevedores. The Master of the vessel shall lodge such claim, if any, on the stevedores, promptly after the damage has been sustained and then confirm in writing duly supported by the Third Party damage Reports, prior to the departure of the vessel from the loading port, failing which the claim shall stand barred and the stevedores shall stand absolved and relieved of all responsibility. Subject to compliance with the conditions enumerated in this clause, in case the stevedores fail to settle the same, the seller will assist in settlement of such claims.
- xii. The Master of the vessel shall deliver to the representative of the seller the Stowage Plan in triplicate duly signed by him immediately after the completion of loading and sailing of the vessel.
- xiv. The ship owners shall instruct their Agents at the load port(s) to issue the Bill(s) of Lading (CONGEN) to the representative of the seller, immediately but not later than two working days from the date of completion of loading of the materials into the vessel. In case of delayed issuance of B/L (beyond two working days), the ship owners/buyers will be responsible for the consequences including interests for delayed receipt of value of the material. The vessel should not contain any other cargo that may be hazardous to the materials under this Contract, in the same hatches/holds offered to the Seller

6.0 Service of Notice of readiness of the Vessel for loading of the Materials (i.e., Master's Notice of Readiness):

- 6.1 Upon arrival of the vessel within the limits of the loading port(s) and after**

- A. Ensuring that the hatches/holds of the vessel have been thoroughly cleaned.
- B. Obtaining free pratique.
- C. Ensuring that the vessel is load ready in all respects.

The Master of the vessel shall serve the Notice Of Readiness of the vessel to load the materials (i.e., Master's NOR) on the port office of the seller at the loading port, during normal office hours which are 9.30 AM to 4.30 PM from Monday to Saturday, except on Second and Fourth Saturdays. The Master's NOR shall not be served on Sundays/Port holidays/Charter Party holidays.

7.0 Laytime and excepted period:

- 7.1** Laytime shall commence at 1300 hours if Master's NOR is served in the forenoon and at 0800 hours of the next working day if Master's NOR is served in the afternoon.
- 7.2** Time between noon on Saturday and 0800 hours on Monday and /or between noon on the last working day preceding a legal holiday and/or port holidays/Charter Party holidays and 8 AM on the next working day thereafter, shall not count as laytime, even if used. In case of local holidays/ strike/ bundh, if loading takes place, the time of actual loading shall count as Laytime.
- 7.3** After berthing, if the port authorities or representative of the seller find that the vessel is not ready in all respects to load, the laytime will not commence until the vessel is in fact ready in all respects to load. The time used by the vessel in proceeding from the anchorage to the berth shall not count as laytime, unless the vessel is on demurrage.
- 7.4** In the event of break-down of gear/cranes/winches/derricks and other equipment of the vessel by reason of disablement of insufficient power etc; the period of such breakdown, disablement/insufficient shall not count as lay time. Lay time shall also not count during break-down of Forklifts employed by the Buyer. Time during fork lift operation will be considered as 50 % of the loadrate.
- 7.5** Time lost by reason of any or all of the following causes preventing loading of the Materials shall not be computed as laytime, unless the vessel is on demurrage.
 - i. War, Rebellion, Tumult, Political Disturbances, Insurrection;
 - ii. Lockout, Strikes, Riots, Civil Commotions;
 - iii. Epidemics, Quarantine, Landslips, Floods, Frost or Snow, Boretides, Bad Weather.
 - iv. Stoppage of work, whether partial or general, by workmen/long-shoremen/tug-boatmen or other hands essential to the working of the vessel or loading of the materials into the vessel;
 - v. Accidents at Wharf;
 - vi. Intervention of Sanitary, Customs and/or other constituted Authorities.
 - vii. Stoppage, whether partial or total, on rivers and canals; and
 - viii. Any other cause beyond the control of the Seller.
- 7.6** In case Red Clause has been invoked, it will be the buyer's responsibility to arrange for berthing of the vessel and Laytime shall commence after vessel is berthed, gangway is placed and hatch inspection, if required, is over.

If any vessel comes beyond agreed Laycan as per sellers cargo NOR, the responsibility of berthing the vessel will be to the buyer's account and Laytime to commence after the vessel is berthed, gangway is placed and hatch inspection, if required, is over.

If a vessel calls on Before her Laycan and tenders NOR, but does not get a berth to load then NOR to be accepted from 9:30 AM of the first day of the Laycan as per Sellers cargo NOR.

If loading of a vessel starts prior to Laycan as per Sellers Cargo NOR, then Laytime would commence from loading commencement time.

8.0 Guaranteed Loading Rate:

- 8.1** The Seller shall deliver the Materials free in vessel's holds in one or two safe berths reachable on arrival always afloat at the port(s) of loading.
- 8.2** The Master of the vessel shall make available all the hatches for loading of the Materials throughout the period the vessel is worked for loading of the Materials, unless the Materials have been completely loaded in other hatches.
- 8.3** Subject to the provisions in Clauses 3.3,5.1.viii,5.1.ix.7.1 to 7.5.viii herein above, the seller shall guarantee the loading of the Materials into the vessel at the rate of _____ MT* per weather working day of 24 consecutive hours Sundays and Holidays excepted, even if used (**WWDSASHEX-EIU**), basis five or more available/workable hatches/cranes. Pro-rata if less.

*From Vishakhapatnam -- 1500 MT for Wire Rods, Structural & Rebars.

- 2500MT for Billets (bundled form only) and Plates.
- 900 MT for Rails*
- 750 MT for Tin Plates*.
- 300 MT for ERW Pipes*.
- 1050 MT for CRNO Coils*.
- 4000 MT for Pig Iron

*MT per day basis 5 hooks prorata, if less, equipped with cranes with minimum 20MT lifting capacity on WWDSASHEX – EIU Basis.

*From Haldia

- 2200 MT for Plates, TMT Bars, HR/GP Sheets
- 1650 MT basis 5 or more available, workable hatches/ Cranes prorate, if less served by 15 MT, minimum Capacity cranes for Billets.
- 2500 MT for CR Coil/GP Coil
- 3500 MT for HR Coil
- 900 MT for Rails*
- 750 MT for Tin Plates.*
- 300 MT for ERW Pipes.*
- 1050 MT for CRNO Coils*.
- 2200 MT for Pig Iron

*MT per day basis 5 hooks prorata, if less, equipped with cranes with minimum 20MT lifting capacity on WWDSASHEX – EIU Basis.

***revised load rate will be applicable from time to time**

9.0 Payment of Dues/Taxes etc.:

- 9.1** The seller shall under no circumstances be liable under this Agreement for any costs, charges, liabilities of whatsoever nature arising subsequent to the delivery of the materials on the basis of the FOB (Stowed) such as but not limited to, ocean freight, insurance charges, port dues, taxes including income taxes, custom duties, unloading and handling charges, levies and fees, if any, of whatsoever nature and kind payable or leviable at the time of or by reason of importation of the Materials in the country of import.

10.0 Statement of Facts:

10.1 Immediately after completion of loading of the Materials into vessel and before the sailing of the vessel from the load port(s) a statement of facts shall be made out at the load port(s) duly signed by and distributed amongst:

- a) Master of the vessel/Agent of the vessel at the load port.
- b) Agents/Representative(s),if any ,of the Buyer at the load port and
- c) Representative of the seller at the load port.

11.0 Settlement of demurrage/Despatch Money Account in respect of each shipment:

11.1 In the aforesaid Statement of Facts, the computation of laytime allowed and laytime used shall be based on the provisions contained in Clauses 3.3,5.1.viii,5.1.ix,7.1 to 7.5.viii hereinabove. Despatch /Demurrage money, shall be calculated at USD 2500/5000 / Day or pro – rata In the case of demurrage, the Seller shall endeavour to remit to the Buyer the agreed amount of demurrage money within about 60 days from the date of receipt of the claim of the Buyer together with all supporting documents. In the case of despatch money, the Buyer shall remit to the seller the agreed amount of Despatch money within 60 days from the date of receipt of the claim of the Seller together with the supporting documents. Buyer to provide copy of signed charter party before shipment.

FOR AND ON BEHALF OF THE SELLER
BUYER

STEEL AUTHORITY OF INDIA LIMITED
INTERNATIONAL TRADE DIVISION
SCOPE MINAR, 17TH FLOOR, CORE-2,
LAXMI NAGAR DISTRICT CENTRE,
DELHI-110092

SIGNATURE:

NAME:

DESIGNATION:

PLACE:

DATE:

FOR AND ON BEHALF OF THE

M/s

SIGNATURE:

NAME:

DESIGNATION:

PLACE:

DATE: