

Contract of Affreightment (C O A)

BETWEEN SHIPPING CO. LTD.
(SCL) AND STEEL CO. LTD (STCL)

Place : New Delhi
Dated : -2007

It is this day mutually agreed between SHIPPING CO. LTD. (SCL), Mumbai and STEEL CO. LTD (STCL)., KOLKATA as CHARTERERS that a cargo of 24Lakhs MT 5% more or less charterers option, Coking Coal in bulk shall be loaded from Queensland/New South Wales(Australia)/Newzealand, for discharge at Vizag/Paradip/Kakinada/Haldia under this Contract of Affreightment.

1 Cargo/Quantity :

a) Coking Coal in bulk, XX Lakhs MT 5% more or less choption (5% Choption to be declarable latest by 31.05.2010) through geared/Grabbed Handymax vessels.

b) Parcel Size : The Owners shall nominate handymax / inchartered and foreign

vessels capable to carry a quantity of cargo 48,000 MT 5% more or less at Owners option by geared / grabbed Handymax vessels subject to 12..5 AWAD.

c) In case the last parcel quantity is more than 50% of the mean parcel size agreed (i.e. base quantity without 5% MOLOO) in the COA, it is the Choption to either provide additional quantity to make a full shipload or to cancel the left over quantity.

d) COA shall be quantity based and Owners to complete their quantity within the shipment period Sept'2007 to July'2010 (extendable upto Three months ie upto Oct'10 in choption which to be declared latest by 31.05.2010) shipment to be evenly spread.

2 Shipment Period :

Shipment period from September' 2007 to July' 2010 (extendable upto Three months ie upto October'2010 in choption which to be declared latest by 31.05.2010) Shipment to be evenly spread .

3 Type of Vessels :

Vessels owned / managed / chartered / operated or otherwise controlled by The Shipping Corporation of India Ltd, Mumbai preferably less than 15 years of age, having minimum 4 x 25 tons cranes and minimum 4 x 9 CBM grabs, electrohydraulic fully automatic which do not require any manual labour during operations and to be operated from cabins only having minimum discharge capacity of 8,000 MT per day.

Owners to ensure each performing handymax vessel to be suitable to enter/discharge at Vizag Inner Harbour.

4 Details of Vessels likely to perform the COA :-

(Attached as per Annex 1)

5 Nomination of Vessels :

Charterers should declare stems 4 to 6 weeks prior to commencement of lay days. Owners to nominate suitable tonnage with 10 days spread lay days within two working days and Charts to confirm the nomination within three working days. Actual performing vessel, if not already done to be nominated by owners 15 days prior commencement of each lay days and while nominating full details of vessel including IMO NO/ISM/SMC/DOC certificate nos. with DOI and DOV should be indicated along with vessel's latest position / itinerary and best ETA load-port. Vetting Questionnaire duly filled should also be sent along with nomination.

Charterers have the option to accept/reject any vessel based on previous performance of the vessel. While nominating owners to ensure no substitution is made, except in case of operational exigency, which should be well in advance and definitely not later than 10 days prior to commencement of lay days.

In case of substitution, the name of the performing vessel should be declared minimum 15 days prior commencement of each lay days. Performing vessel should be preferably less than 15 years. Handymax vessel should be suitable to enter/discharge at Vizag inner harbour. Vessel to have minimum 4 x 25 tons cranes fitted with minimum 4 x 9 CBM grabs on board with minimum discharge capacity of 10,000MT per day. Vessel has to be grab fitted at the time of nomination/offering.

While nominating the performing vessel full details of the vessel including ISM/SMC/DOC certificate numbers with date of issue and date of validity should be indicated alongwith vessel's latest position and best ETA at loadport. Vetting Questionnaire duly filled should also be sent along with nomination. Validity of nomination should be minimum 3 working days.

Nominated vessels not to tender before 9 A.M. on the laydays commencement date and if vessel be not ready at the loading port as ordered before cancelling date of each nominations, or if any willful misrepresentation be made respecting the size, position or state of the vessel, Charterers to have the option of cancelling this charter, such option to be declared within 24 hours of tendering of Notice of Readiness.

6 That the said vessel being tight, staunch and strong, and in every way fitted for the voyage, shall, with all possible dispatch, sail and proceed to 1-2 Safe Berth(s) 1 Safe Port out of Queensland/New South Wales (Australia)/Newzealand in Choption and there load, always afloat, in the customary manner from the Shippers, in such Dock as may be ordered by him a full and complete Cargo of 48,000 metric tons 5% more or less Owners option Bulk Coking Coal, and not exceeding what she can reasonably stow and carry over and above her Tackle, Apparel, Provisions and Furniture; and being so loaded shall therewith proceed, with all possible dispatch, to 1-2 Safe Berth(s) each 1-2 Safe Port(s) out of Visakhapatnam / Paradip/ Kakinada / Haldia in Choption. (Haldia always to be used as 2nd discharge port only and Draft will be as declared by Haldia port authority) basis 12.5 M AWAD at 1st disport; or so near thereunto as she can safely get, and there deliver her cargo alongside any Wharf and/or vessel and/or Craft, as ordered, where she can safely deliver, always afloat, and accessible.

7 Any time lost through riots, strikes, lockouts, or any dispute between Masters and men, occasioning a stoppage of pitmen, trimmers or other hands connected with the working or delivery of the coal for which the vessel is stemmed, or by reason of accidents to mines or machinery, obstructions, embargo or delay on the Railway or in the Dock; or by reason of fire, floods, frosts, fogs, storms or any cause whatsoever beyond the control of the Charterer affecting mining, transportation, delivery and/or loading of the Coal, not the computed as part of the loading time.

8 The cargo to be loaded , dumped and trimmed by men appointed by the Shippers, free of risk and expense to the vessel.

9 The Act of God, the Queen's Enemies, Restraints of Princes and Rulers, and Perils of the Seas excepted. Also Fire, Barratry of the Master and Crew, Pirates, Collisions, Strandings and Accidents of Navigation, or latent defects in or accidents to, Hull and/or Machinery \and/or Boilers always excepted, even when occasioned by the negligence, default or error in judgement of the Pilot, Master, Mariners or other persons employed by the Shipowner, or for whose acts he is responsible, not resulting, however, in any case from want of due diligence by the Owner of the Ship, or by the Ship's Husband or Manager. Charterer is not answerable for any negligence, default, or error in judgement of Trimmers or Stevedores employed in loading or discharging the cargo. The Vessel has liberty to call at any ports in any order, to sail without Pilots, to tow and assist vessels in distress, and to deviate for the purpose of saving life or property, and to bunker.

10 In case of Average, the same to be settled in India according to York / Antwerp Rules 1974. Should the vessel put into any port or ports leaky or with damage, the Captain or Owner shall, without delay, inform the Charterer thereof. Captain should telegraph Charterer in case of putting in anywhere.

11 Vessel should have the liberty of dry-docking before commencement of loading under this Charter.

12 All Bills of Lading shall include the following NEW JASON CLAUSE : "In the event of accident, danger, damage or disaster before or after commencement of the voyage, resulting from any cause whatsoever, whether due to negligence or not, for which, or for the consequences of which, the carrier is not responsible, by statute, contract or otherwise, the goods, shippers, consignees or Owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses or expenses of a general average nature that may be made or incurred, and shall pay salvage and special charges incurred in respect of the goods. If a salving ship is owned or operated by the carrier, salvage shall be paid for as fully as if such salving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the goods, and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery".

13. All Bills of Lading shall include the following BOTH-TO-BLAME COLLISION CLAUSE: " If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the Master, Mariner, Pilot or the servants of the carrier in the navigation or in the management of the ship, the Owners of the goods, carried hereunder will indemnify the carrier against all loss or liability to the other or non-carrying ship or her Owners in so far as such loss or liability represents loss of, or damage to, or any claim whatsoever of the Owners of said goods, paid or payable by the other or non-carrying ship or her Owners to the Owners of said goods and set-off, recouped or covered by the other non-carrying ship or her Owners as part of their claim against the carrying ship or carrier. The foregoing provisions shall also apply where the Owners, Operators or those in charge of any ship or ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect to a collision or contact".

14. The vessel nominated by Owners shall be Classed Highest Lloyds or equivalent, be in thoroughly seaworthy condition, comply in every respect with all international and local regulations, comply with all regulations governing the carriage by Sea of Coal in Bulk and shall be maintained as such for the duration of the voyage.

15. Owners must be well conversant with acceptability of vessel(s) at different load/discharge ports and while nominating vessel(s) they should conform to those limitations / restrictions to ensure vessels suitable and meet all load/discharge port requirements including ISM CODE before calling at load/discharge ports with all valid certificates on board.

16. Vessel shall have valid International Trade Federation Certificate or a bona fide agreement acceptable to the International Transport Workers Federation. Owners to ensure vessel is acceptable at loadport and Charterers not responsible if loadport workers etc. do not handle vessel.

17. Vessel to hold a valid gear certificate in accordance with International Dock Safety Convention, covering the duration of the voyage and the same to have been tested. Owners to ensure vessel meet load / discharge port requirements including ISM/ISPS code before calling at loadports with all valid certificates on board. Owners also to ensure vessel to keep minimum deballasting delays i.e. appx. 12-14 hours at loadport. Owners/Vsl/Charterers to comply with ISPS Code/Requirements.

18. Owners confirm that minimum distance of 13 meters is available between any ship's gear to allow safe entry of the ship loader.

19. The Master of the vessel shall give telex/cable advice(s) on fixing followed by 20/15/10 days approximate notice and 7/5 days definite notices followed by 3/2/1 days arrival notices to :

(i) SUPPLIER (AT THE TIME OF NOMINATION)

(ii) WILLS SHIPPING PTY LIMITED

3RD FLOOR, 86-88 GEORGE STREET

THE ROCKS, SYDNEY,

P.O.BOX : R 515, ROYAL EXCHANGE SYDNEY

N.S.W. 2000, AUSTRALIA

TELEX : 26113 A/B SEAWIL AA 26113

CABLE : "SHIPINDIA SYDNEY"

FOR NEW ZEALAND :

ADSTEAM AGENCIES (NZ) LIMITED,

LEVEL 5, 127 ARMAGH STREET,

CHRISTCHURCH, NEW ZEALAND.

WWW.adsteam.co.au, info@chca.adsteam.co.nz,

FAX : (64-3) 372 1442

(iii) "TRANSCHART NEW DELHI"

FAX : 11-23718614 / 23352726

E-mail: co1@hub.nic.in

aco2@nic.in / aco5@hub.nic.in

(iv) "ISPATMOVE CALCUTTA" - 6TH FLOOR

TELEX : 21-7332 / 21-7456 A/B LOHA IN

FAX : 033-22886108

E – Mail : prolay@sail-steel.com / tnsimp@sail-steel.com

While giving 7 days definite notice, Master of the vessel to declare the exact quantity required to be loaded at the loadport and the number of hatches available for loading.

20. Owners/Master should arrange for holds of the vessel to be cleaned free from residue of previous cargo like sulphur, fertilisers etc., before loading the cargo.

21. Upon arrival of the vessel at the outer anchorage or at the pilot station of the loadport, whether the vessel is in free pratique or not and in berth or not, provided the vessel is in all respects ready to load. Master of vessel shall serve on the Suppliers or their agents the Notice of Readiness of the vessel to load cargo (Master's Notice of Readiness) between 0900 hours to 1630 hours on working days (Monday to Friday) and between 0900 hours to 1200 hours on Saturdays. If the vessel, whether in free pratique or not, is found by the Shippers not to be ready in any other respect to load after its berthing, the specific grounds on which the vessel is found not to be ready to load shall be recorded by the Shippers in the Statement of Facts which is also to be accepted and signed by the Master/Agents of the vessel at the loadport. In such an event, the laytime shall not be deemed to have commenced until the vessel is, in fact, ready to load in all respects.

Laytime (i.e. loading time) shall commence 24 hours after the time at which Master's Notice of Readiness is served, whether vessel is in berth or not and in free pratique or not. If the 24 hours turn time expires on Saturday afternoon, Sunday or holiday, laytime shall commence at 0800 hours on next working day unless loading of the materials is sooner commenced in which event the actual time used shall count as laytime. Any time lost by the vessel in waiting for berth shall also count as loading time. If any time is used by Suppliers/ Shippers on Saturday afternoons, Sundays or holidays to deliver/load the materials into the vessel, the time actually used shall count as laytime.

22. Master /Owners also to advise berthing / loading prospects on arrival vessel at loadport and also to keep all concerned regularly informed about loading status / progress.

23. The Charterers shall arrange for a safe loading berth at loadport and shall load and trim coal on board the vessel free of risk and expense to vessel, but always under the supervision of the Master. Claims for damages caused to the vessel by Stevedores, if any, are to be settled between Shipowners and Suppliers/Shipper. The vessel is to notify the Suppliers/Shipper and the port operators at load port, in writing prior to vessel's departure from the loadport of any alleged damage to vessel by the stevedores and failure to do so notify shall bar any claim thereof. Claim on damages at loadport to be lodged within 60Days from the date of incident failing which the owners claim will be debarred and relieve the shippers of all responsibility. However, the Charterers shall assist the Owners in settling the Owners claim with suppliers/shipper for damage caused to the vessel by Stevedores or port operators.

24. The Shippers shall load the cargo in accordance with the Master's or Chief Officer's instructions and shall arrange to trim the cargo to the Master's satisfaction. Trimming of vessel's cargo by Suppliers shall be limited to spout trimming or by such mechanical trimmer, as may be available at the loadport but under the supervision of the Master of the vessel.

25. The Owners shall ensure that the vessel shall provide to the Suppliers free use of cranes, as available on board and power for use in trimming cargo and for all work incidental thereto, together with all lights, as on board for working the vessel at no cost to the Suppliers and Charterers.

26. At the loading port, the suppliers shall load the material on board the vessel at an average rate of 20,000MT CHOITION, 35000MT CHOITION 40,000 MT (Which to be declared at the time of confirming each loader) basis 5 or more hatches and pro rata if less, per weather working day of 24 consecutive hours. Saturday afternoon, Sundays and holidays till 0800 hrs on Monday/ next working day excluded unless used and if used actual time used

to count as laytime

27. On completion of loading, a Statement of Facts shall be made out at the load port duly signed by the Master/Agents of the vessel and the Suppliers/their representatives.

28. The Owners/Master/Agents shall ensure release of Bill(s) of Lading marked "FREIGHT TO BE PAID AS PER CHARTER PARTY" immediately and, in any case, not later than 24 hours of completion of loading. Quantity determined by draft survey conducted at the loading port shall be declared in the Bill(s) of Lading.

29. Bill(s) of lading to be issued in "CONGEN" bill form only, marked "Freight to be paid as per Charter Party" and shall be signed by the Master of the vessel. Master must sign as many sets of Bills of Lading as presented by Shippers/Charterers.

30. In case Charterers/Receivers are not able to produce original Bill of Lading on arrival of vessel at discharge port, Owners/Master to instruct their discharge port agents to issue the delivery orders and allow discharge of cargo against the ordinary Letter of Indemnity issued by the Charterers/Receivers.

31. A sailing telegram/fax/e-mail is to be sent by the Master of the vessel to "SAIL CALCUTTA" and "TRANSCHART NEW DELHI" on vessel leaving loading port, giving sailing date, speed, commodity, total quantity loaded and estimated draft fore and aft on arrival at discharging port and estimated time of arrival at discharging port. This is to be followed by 10/5/2 days notices of E.T.A. at discharging port. Charterers to nominate discharge port within 24 hours of receipt of Master's 10 days notice of expected time of arrival.

If vessel is nominated for discharge at 2nd port a sailing telegram/fax/e-mail is to be sent by Master to "SAIL CALCUTTA" and "TRANSCHART NEW DELHI" on vessel leaving first discharge port indicating estimated date and time of arrival at 2nd discharge port. Orders for the 2nd discharge port, if required, can be given by Charterers while vessel is discharging at 1st port unless given earlier.

32. Owners guarantee that the vessel's arrival draft first or sole discharge port in India will not exceed 12.5 M available water.

33. Vessel to be suitable to enter/discharge at Vizag Inner Harbour if Handymax. In case vessel's dimensions are higher, it shall be Owners' responsibility to get vessel berthed at Vizag Inner Harbour, if so required by giving necessary Indemnity etc. to Vizag Port Trust for which any time lost/expenses incurred to be for Owners account.

34. Notice of Readiness at the port of discharge to be served by Shipowners during normal office hours i.e. 9.30 a.m. to 4.30 p.m. on working days (Monday to Friday) and 9.30 a.m. to 12.00 noon on Saturdays to Port Offices of Charterers as per details given below:

VISAKHAPATNAM
Steel Co. Limited,

HALDIA / PARADIP
The Branch Manager, The Branch Manager,
Steel Co. Limited
Branch Transport & Shipping office Branch Transport & Shipping Office

35. Time Counting Provision.

At each discharge port, even if at second discharge port vessel arrives on demurrage, time to count 24 hours after Notice of Readiness is served on arrival of the vessel within port limits at each port of discharge and whether in berth or not and in free pratique and ready in all respects to discharge the cargo. If turn time of 24 hours expires on Saturday afternoon laytime will commence at 0800 hours on first working day. Time shall not count between noon on Saturdays and 8.00 a.m. on Monday nor between 5 p.m. (noon if Saturday), on the last working day preceding a Charterparty holiday and 8.00 a.m. on the first working day thereafter, even if used, unless the vessel is already on demurrage. If the vessel is ordered to Haldia and is unable to give Notice of Readiness by reason of congestion at Haldia, time shall commence to count 24 hours after Notice of vessel's arrival off Sandheads has been given by radio to Charterers or their Agents and received by them during ordinary office hours. Whilst waiting off Sandheads Sundays, C/P Holidays and Saturdays after 12 noon until 8 a.m. Monday not to count unless vessel is on demurrage. Time used in proceeding from Sandheads to Haldia not to count.

36. Non weather working days declared by port authorities and rain periods if reported in SOF shall not be counted as laytime even if the discharge operations are continued for some part of day unless vessel is already on demurrage.

37. Steaming time from anchorage to berth on arrival of vessel at load/discharge port not to count even if vessel already on demurrage.

38. Charterers/Shippers have the option to load/discharge the vessel at second safe berth in which case, time used in shifting not to count as laytime and shifting expenses to be in Owners' account even if vessel already on demurrage.

39. Cost of opening and closing of hatches, gangway placement, grab fixing to be to owners account and time used not to count as laytime, even if vessel already on demurrage.

40. In the event of breakdown of gears/cranes and other equipment of the vessel by reason of disablement or insufficient power etc., period of such inefficiency shall not count as laytime.

41. Owners/Master/their agents shall allow representatives of inspecting agency nominated by Shippers/Charterers on board to carry out draft survey and to inspect/supervise at all stages of loading/storage/discharging of cargo at loading/discharging ports. Time used for draft survey/check at load/discharge ports to be for Owners account even if vessel already on demurrage.

42. At the discharge port, time lost by reason of all or any of the following causes shall not be counted as discharge time unless vessel is already on demurrage. a) War, rebellion, tumult, political disturbances, insurrections.

b) Lockouts, strikes, riots, civil commotions

c) Epidemics, quarantine, landslide, floods, frost or snow, bore tide, bad weather.

d) Stoppage of work whether partial or general by workmen, long shoremen, tugboatmen or other hands essential to the working of the vessel or discharge of cargo from the vessel.

e) Accidents at the Wharf.

f) Intervention of sanitary customs and/or other constituted authorities.

g) Stoppages whether partial or total on rivers and canals.

h) Any other causes beyond the control of Charterers.

43. Charterers guarantee to discharge the cargo at the average rate of 7000 MT Vizag / Paradip/Kakinada PWWD, except Haldia 12,000 MT PWWD, basis Min 4 Cranes all Minimum 25 Tons each with Min 9CBM GRABS with discharge capability 10,000MT per day and pro rata if less, PWWD of 24 consecutive hours Saturday afternoon, Sundays, CP holidays till 0800 hrs on Monday / or next working day excluded even if used unless the vessel is already on demurrage.

Choption for the higher discharge rates 10,000MT SASHEXEIU for Vizag / Paradip / Kakinada except Haldia which to remain 12,000MT if vessel discharge mechanical berth no.4 A and 10,000MT if vessel discharges other than berth no. 4 A. Discharge rates to be confirmed while confirming the fixture. Depending upon facilities available at the disports charterers to have option of engaging alternate modes of discharge such as either using or not using vessels grabs or combination of both, engaging barges/shore handling facilities at any available safe berth /point /anchorage, etc subject to the condition

- i) There will be no freight reduction.
- ii) If alternate facilities being used for discharge by sail should be greater than the vessels capability i. e. to ensure quick turn round of the vessel.

44. Owners guarantee that vessel has minimum 4 number of cranes each of capacity minimum 25 tonnes and minimum 4 number of grabs each of minimum 9 cubic meters capacity with cycle time of 3 minutes and serving all hatches and accordingly the minimum capacity to discharge is 10,000 tons per day of 24 consecutive hours. Owners also guarantee that vessel has fully automatic grabs, which do not require manual labour to open/close. A joint survey shall be conducted in order to ascertain the particulars of cranes and grabs as above. In the case of any deficiency, the Surveyors' report shall be binding on Owners and Charterers and the rate of discharge shall be reduced proportionately.

45. Demurrage/Despatch rate at the load/discharge ports shall be Rs. ***** /- / Rs. ***** /-per day or pro rata. HDWTS BENDS. Laytime allowed for loading and discharging to be non-reversible.

46. Freight shall be paid at the rate of:

Rs. **** /- PMT 1/1 EX QLD BSS LR 20,000MT Disrate 7000MT except Haldia 12000MT if vessel discharges at mechanical berth no. 4 A and 10000MT if vessel discharges other than berth no. 4 A.
Addl Rs. **/- PMT 1/1 EX NSW over QLD rate as above BSS LR 20,000MT Disrate 7000MT except Haldia 12000MT if vessel discharges at mechanical berth no. 4 A and 10000MT if vessel discharges other than berth no. 4 A.
Addl Rs. **/- PMT 1/1 EX NZD over QLD rate as above BSS LR 20,000MT Disrate 7000MT except Haldia 12000MT if vessel discharges at mechanical berth no. 4 A and 10000MT if vessel discharges other than berth no. 4 A.
LESS Rs. ** **/-PMT IF LR 40,000MT
LESS Rs. ** **/-PMT IF LR 35,000MT
LESS Rs. ** **/-PMT IF Disrate 10,000MT except Haldia 12,000MT if Vessel discharges at mechanical berth no. 4 A and 10,000MT if vessel discharges other than berth no. 4 A

ADDL Rs. ** ** PMT extra on entire Qty for second disport.
ADDL Rs. ** ** PMT extra on entire quantity for Haldia as 2nd disport .
(USD 1 = RS.XX - USUAL EXCHANGE VARIATION CLAUSE TO APPLY).

47. Freight Payment Clause:

- a) Freight is payable in Indian Rupees at New Delhi by Demand Draft to The Shipping Co.Ltd.
- b) If Actual / Head Owners performing, 90% payment shall be made initially on Bill of Lading quantity less 2% within Seven (7) working days of completion loading / sailing and on submission of Freight Bill, in triplicate, along with copy of Owners' Incorporation Certificate and Income Tax Registration Number on letterhead, to Charterers.
The balance 10% of the freight together with demurrage (if any) or less despatch (if any) is payable by Charterers within 120 (one hundred twenty) days of completion of discharging on production of :
(i) Copy of Bill(s) of Lading.

- (ii) Copy of Charter party.
- (iii) Receipt of payment of despatchers/agency fee at the loading port(s) (if applicable)
- (iv) Copy of Notice of Readiness/SOF with supporting documents.
- (v) Time Sheets.

Demurrage / Despatch account both ends for this Charter Party would be settled by the Steel Authority of India Ltd.

- c) Owners to confirm receipt of funds within ten working days of remittance of initial and final payments.
- d) Freight is deemed to be earned upon safe arrival of the vessel and the cargo at the first or sole discharging port. The entire freight shall be all times be at the risk of vessel's Owners.

48. Chartering Service Fee Clause :

The Chartering Service charges at the rate of 1% (one percent) on 100 percent gross amount of freight and deadfreight (if any) payable to the Shipowners will be deducted from the 90 percent freight and deadfreight if any and paid direct to Pay and Accounts Officer (Secretariat), Ministry of Shipping, Road Transport and Highways, Parivahan Bhavan, No.1, Sansad Marg, New Delhi 110001 while remitting 90% freight and defreight (if any) to the Shipowners. Similarly, the Chartering Service charges at the rate of 1% (one percent) on demurrage, if any, payable to the Shipowners to be deducted at the time of remitting demurrage to the Shipowners and paid direct to the Pay and Accounts Officer (Secretariat), Ministry of Shipping, Road Transport and Highways, Parivahan Bhavan, No.1, Sansad Marg, New Delhi 110 001. The demand draft for 1% (one percent) chartering service charges shall be sent direct to the Deputy Chief Controller of Chartering, Ministry of Shipping, Road Transport and Highways, Parivahan Bhavan, No.1, Sansad Marg, New Delhi 110 001.

49. Currency Fluctuation Clause :

Freight /Deadfreight/Charter Hire, Extras/Additional and Demurrage/Despatch rates agreed under the relevant clauses of this COA are on the basis of the mean TT buying / selling rate of US\$ 1 = Rs.XX0. If on the date of actual payment of any of the abovementioned amounts, (i.e. release of cheque/DD to owners) there is a variation in the State Bank of India Mean TT buying and selling Rate of more than Rupee 0.50 for one US\$, then the Rupee amounts and rates will be revised to the extent of change from the base exchange rate of US\$ 1 = Rs.41.00 and Charterers shall pay to the shipowners or vice versa, as the case may be, the additional amount representing the entire difference on account of currency variation for each of these payments.

50. Vessel to be consigned to Charterers' Agents both ends for QLD / NSW. For NewZealand owners agent at loadport and Charterers agent at discharging ports. Owners paying customary agency fee.

51. The Shipowners shall pay and bear all port charges (except port loading and unloading charges), tonnage dues, light dues and other taxes, assessments and charges, which are customarily payable on or with respect to the vessel at load and discharge port(s).

52. Any dues and/or taxes on cargo to be for Charterers account but customary vessel's port charges including berthing expenses and any dues and/or taxes on vessel freight, even if measured by quantity of cargo on board, to be for Owners account.

53. Shipowners/Master shall provide free use of light, as on board, that may be needed for working the vessel in the nights and in each case free of expense to the Shippers/Charterers.

54. Overtime shall be to the account of party ordering same. But if ordered by Port Controller or his authority, the same be shared equally between Owners and Charterers.

55. Entire extra insurance on cargo, if any, by reason of vessel's Age, Flag or Class to be for Owners account.

56. In case of claim for damage done to the vessel during discharging, such claims to be presented by the Master immediately after the damage has been sustained with the third party damage report, failing which, Charterers shall not be responsible. The claims for damages caused to vessel by Stevedores, if any, during discharge at Haldia are to be settled between Shipowners and Stevedores. However, the Charterers shall assist the Owners in settling such claims. Claims for damages caused to vessel by Stevedores during discharge at Visakhapatnam / Paradip / Kakinada are to be settled between Shipowners and Stevedores, failing which, Charterers to remain responsible for settlement of such claims. In all cases, the vessel is to notify the Charterers/Stevedores. In writing, prior to vessel's departure from discharge port, of any alleged damage to the vessel by Stevedores along with third party damage report and failure to so notify shall bar any claim thereafter.

The master of the vessel shall get a joint survey conducted with the stevedores to determine the extent of damage sustained to the vessel. The joint survey must be conducted before the departure of the vessel from the port in which the damage took place. Failure to submit final claim within 60days will debar the claim and relieve sail/stevedores of all responsibilities. In the absence of the joint survey the claim shall stand barred and sail / stevedores shall stand absolved and relieved of all responsibility.

57. The Owners undertake that the vessel has not been sold nor will be sold for scrapping or otherwise during the currency of this charter.

58. Protection and Indemnity Bunkering Clause:

The vessel in addition to all other liberties shall have liberty as part of the contract voyage and at any stage thereof to proceed to any port or ports whatsoever whether such ports are on or off the direct and/or customary route or routes to the ports of loading or discharge named in this charter there take oil bunkers in any quantity in the discretion of the Owners even to the full capacity of the fuel tanks, or any other compartment in which oil can be carried whether such amount is or is not required for the Chartered Voyage.

59. Arbitration Clause

In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party to the Arbitration of one of the Arbitrators in the Department of Public Enterprises to be nominated by the Secretary to the Government of India in charge of the Bureau of Public Enterprises. The Arbitration Act 1996 shall not be applicable to the arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law and Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary/Additional Secretary when so authorised by the Law Secretary whose decision shall bind the parties finally and conclusively. The parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator.

60. Force Majeure Clause:

If either Shippers/Charterers be prevented from discharging their or its obligations under this agreement by reason of arrests or restraints by Government or people, war, blockade, revolution, insurrection, mobilisation, strikes, civil commotions, acts of God, plague or other epidemics, breakdowns of mining, rail, road or port equipment, destruction of materials by fire or flood or other natural calamity interfering with production, loading or discharging the obligations under this agreement shall be deferred to a date to be agreed considering the length of time required to

resume natural operations. However, if any one occurrence of force majeure continues uninterrupted for 30 days or more or if the total of such occurrence within the agreed shipment period adds to 90 days or more Owners/Charterers may opt to cancel this agreement without, in any way, being liable to the other party for such cancellation. Party invoking protections under such clause within 20 days of the occurrence of force majeure put the other party on notice supported by certificate of Chamber of Commerce or concerned Governmental authority and shall likewise intimate the cessation of such causes. The delivery shall be resumed by the party/parties after cessation of force majeure causes.

61. Default

Should Suppliers/Charterers fail to provide materials for shipment or to ship the materials by the time or times agreed upon or should Suppliers/Charterers in any manner or otherwise fail to perform the Contract or should a receiver be appointed on its assets or make or enter into any arrangements or composition, with creditors or suspend payments (or being a Company should enter into liquidation either compulsory or voluntary) the Suppliers/Charterers shall be entitled to declare the contract as at an end without any liabilities on either side.

62. Owners / Vessel / Charterers to comply with ISPS code / requirement.

CHARTERERS

OWNERS

Discussion Points: The stakeholders, entities, their attributes and relationships
The clauses of COA
The Responsibilities of Charterer and the Shipping Company
The Areas of Disputes
The Improvements