

Draft Stem order (for advance information)

DATE :

REF. NO:

(RFX NO.)

TO : .

EMAIL : .

ATTN : .

FROM :MR. M T Dattashankar, G.M. (B&T- DD & RB)

Dear Sir,

Sub: **Dry-Docking and Repairs of M.T. SWARNA MALA IFB/2024-25**

We are pleased to confirm that the captioned vessel is firm stemmed with you for dry-docking and repairs at your yard on the following basis.

- A. Your quotation **Ref. No.** _____ **dated** _____ for dry docking repairs of subject vessel and your further confirmation vide email dated ----- regarding unconditional acceptance of SCI terms and condition in totality.
- B. Total discount offered is..... % (**percentage**) on all gross quoted items and on all similar additional jobs derived during the actual repair period.
- C. As per your quotation, all jobs as per our repair specifications, including steel renewal/blasting and painting etc. Would be completed in _____ **days, including ___ days in dry-dock. Time and cost as per final mutual agreed quotation dated _____ should be strictly adhered to, and under no circumstances vessel shall be delayed/held by linking the same to any other pending issue.**
- D. In the event of delay in carrying out and completion of the dry-docking and repair work of the vessel for any reason whatsoever (except major additional jobs not specified), no payment for general services charges will be made to the yard for such extra period equal to that of the delay. Also the G.O.P. of the vessel USD / INR..... per day, and the cost incurred for extended stay of our attending superintendent(s) will be recovered from the yard in conformity with clause no. 8.02 of our tender terms and conditions. This stipulation shall apply without prejudice to any other rights of the owner due to such delay. Terms and conditions as indicated in our tender enquiry/email and this email will prevail over any terms and conditions to the contrary.
- E. Yard should ensure that actual repair cost as per yard's invoices should not exceed the quoted cost although there may be some minor additional repairs/cancellations and adjustment of work scope, which may be carried out at the yard as per instructions/approval of our superintendent.

Yard is advised to update and provide/appraise us and the attending superintendents the repair cost during vessel's repair at the yard on a weekly basis. Yard should also provide a closer estimate of total repair cost to the attending superintendents/owners representative just before or immediately after the vessel sails out from the shipyard.

In the event yard anticipates actual repair cost to exceed quoted cost, particularly due to undertaking of major additional jobs, (not specified in the original repair specifications) same may kindly be intimated immediately to SCI, Mumbai for attention of director with details of extra cost as estimated by the yard as well as extra time, if any, required, for such jobs, under advice to our superintendents at the yard.

We feel day-to-day monitoring of repair cost/time of the vessel by the yard would be useful. Meanwhile, please forward to us a detailed bar chart for critical/major jobs in support of your quoted repair time for our reference, along with your letter accepting the stemming of the vessel.

- F. Additional/Extra Jobs:** For any additional/extra work which may crop up during the course of repairs, yard is required to provide quotation of same to the attending superintendent. The said additional/extra job is to be commenced only against the duly approved quotation by the superintendent. The yard must attach the quotation approved by the attending superintendent while submitting their invoice for settlement.

Please note no payment will be made due to failure on the part of yard to attach the duly approved quotation for additional/extra work undertaken by the yard during vessel's stay at the shipyard.

Similarly, for any additional and/or extra work and/or jobs which are not quoted in the quotation but indicated in the repair specifications, which may crop up during the course of repairs, yard is required to provide quotation of same to the attending superintendent. The said additional and/or extra jobs and/or jobs not quoted in the quotation but indicated in the repair specification are to be commenced only against approved quotation from the attending superintendent. The yard must attach the quotation approved by the attending superintendent while submitting their invoice for settlement. No payment will be made in case yard fails to provide quotation duly approved by the attending superintendent.

- G.** If the quantum of work actually done is different from that indicated in a repair specification, the cost that will be billed to us should be correspondingly proportionate to the quoted price. During scrutiny of invoice if later on it is noticed that the yard has not billed as per their quoted price for the actual work done for similar nature of jobs, than SCI reserves its right to pay for such work done only on the basis of the quoted price and not the higher price charged if any in order to avoid inflation of invoices.
- H.** In the event of yard's inability to carry out any quoted jobs, including arrangement of service engineers, supply of spares etc., SCI reserves the right to recover all such costs incurred for making all such alternate arrangements, including travelling cost of such personnel from the yard at the time of settlement of the invoices.
- I.** After completing the dry-dock/repairs of subject vessel, original physical invoice to be submitted at following address:
Mr. M.T. Dattashankar, GM (B&T-RB & DD),
THE SHIPPING CORPORATION OF INDIA LTD.,
SHIPPING HOUSE, 2nd FLOOR,
MADAME CAMA ROAD, NARIMAN POINT,
MUMBAI 400021, MAHARASHTRA,
INDIA.

Yard also to submit following documents along with the Final invoice in the stemming order.

- i. Original Work done reports certified by ship-staff & attending superintendent.
- ii. Superintendent approvals for Additional jobs & Additional Quotations.
- iii. Repair specifications for additional jobs.
- iv. If supplies and services are outsourced, then, supporting documents of third-party invoices should be attached with the invoice.
- v. Vessel delay related documents agreed with yard and signed by the superintendent
- vi. **Once original invoice submitted to SCI, invoice shall be treated as last and final invoice, no additional/supplementary invoice will be accepted or entertained by SCI thereafter.**

J. Force Majeure:

In the event yard is being rendered unable by force majeure to perform any obligation required to be performed by the yard under the contract, the relative obligation of the yard affected by such force majeure shall be suspended for the period during which such cause lasts. The decision of the corporation in this regard will be final and binding on contractor.

The term “force majeure” as employed herein, shall mean “act of god, strike, insurrection, riots, epidemics, land slides, earth quakes, storms, lightning, floods, washouts, civil disturbances, explosions and any other similar event not within the control of either party, and which, by the exercise of due diligence, neither party is able to overcome.”

Upon the occurrence of such cause and upon its termination, the yard alleging that it has been rendered unable as aforesaid thereby, then the yard must immediately advise the superintendent in writing giving full particulars of the event, duly certified by local chamber of commerce or statutory authorities, the beginning and end of such causes of delay. Further during stormy weather/strong winds where craneage/deck repairs cannot be

Done, force majeure will be considered on shift basis subject to local weather reports duly certified by the attending superintendent.

During very heavy rains at the time when the vessel is in the dry-dock and hull cleaning/painting cannot be carried out, the resultant loss of time can be considered under force majeure, subject to the same being given in writing to the superintendent duly certified by the local chamber of commerce or statutory authorities, the beginning and end of such causes of delay.

Time for performance of the relative obligation suspended by force majeure shall stand extended by the period during which such cause lasts.

- K.** A safe berth would be made available immediately on vessels arrival after being certified gas free.
- L.** Vessel should be berthed in a position where there is no hindrance for carrying out repairs and with availability of craneage with adequate reach and capacity. Any delay due to non-availability of proper berth and due to double banking would be on yard’s account.
- M.** Owner’s sub-contractor abiding by rules and regulations of your shipyard should be permitted to work on board.
- N.** Work done certification by vessels master and chief engineer officer is an internal procedural requirement and is subject to SCI management’s accreditation.
- O.** Yard to ensure that all required material, equipment's, tools, etc. are readily available with and arranged by, as per repair specification, the shipyard to ensure timely completion.

- P. SCI's terms and conditions as attached with our enquiry email dated _____ will prevail over any other terms & conditions to the contrary for the subject vessel's dry-docking/repairs.**

We are endeavoring to present the vessel at your yard around _____. **However, shall keep you updated of any change in the indicated schedule.** Kindly allocate yard resources/space accordingly to avoid delay to vessel on arrival.

- Q. In case (i) Performance of the yard is not satisfactory (ii) Yard Is in breach of terms and conditions of the stem order (iii) The conduct of the yard is under suspicion or there is any action by the yard which may result in damage to the brand image and / or result into commercial loss to SCI, then SCI may consider suspension of business dealings with such yard with immediate effect. For continuing future business, an internal inquiry would be initiated which would be completed within one year. The order of suspension would operate till the conclusion of the inquiry. After completion of inquiry, if the facts & evidences warrant any penal action against the yard, same will be initiated by the corporation or suspension revoked, as the case may be.**

R. ISPS and Security Clause:

The Yard to ensure that the vessel do not pose any threat to safety and security of the ships and its staff owned, managed, leased or chartered by the corporation. Any penalty or action taken by the port/statutory authority will be dealt by the yard and the SCI will not be held responsible. The yard to be ISPS compliant. All SCI vessels are ISPS compliant and yard to ensure proper ISPS compliance for all SCI vessels during the stay in the yard

S. Arbitration Clause:

a) For Indian Public Sector Shipyards

In the event of any dispute or difference relating to the interpretation and application of the provisions of the contract, such dispute or difference shall be referred by either party to the arbitration for resolution through AMRCD (DPEOM NO. 4(1)/ 2013 - DPE (HOD)/FTS-1835 dated 22-05-2018) wherein a new mechanism namely AMRCD having Two Level (TIER) structure has been prescribed regarding the resolution of commercial disputes of CPSES. At the first level, the resolution of dispute is to be done at the level of secretaries of the ministries/ departments of the concerned disputing parties and secretary, department of legal affairs. The appeal for cases remaining unresolved at the first level can be made to the cabinet secretary through the concerned administrative ministry/ department in terms of DPEOMNO. F.NO. 4(1)/2013-DPE (GM)/FTS-1835 dated 04.07.2018..

b) For Indian Private Sector Shipyards

This contract and any non-contractual obligations in connection with the same will be governed by the laws of India. In the event of any dispute or difference arising out of or relating to this contract or any stipulation herein or with respect thereto, which cannot be settled mutually by the parties themselves, such dispute shall be resolved by Arbitration in Mumbai, India, in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modifications or re-enactment thereof. The language of arbitration shall be English. Either party may demand arbitration of any such dispute or difference by giving a written notice / request to the other party. Any demand for arbitration by either of the parties hereto shall specifically state the question or questions as to which such party is demanding arbitration and also state the name and credentials of the arbitrator appointed. Within thirty (30) calendar days after receipt of the notice of such demand or request for arbitration, the

other party shall in turn appoint its Arbitrator, under intimation to the opposite side. The appointed Arbitrators shall within TWENTY (20) calendar days of their appointment, shall after mutual discussion among themselves, nominate and appoint the THIRD (3rd) Arbitrator who shall act as Presiding Arbitrator.

If however, a party fails to appoint an Arbitrator (“**Failing Party**”) as aforementioned within thirty (30) calendar days of receipt of notice of arbitration, the failing party shall be deemed to have accepted and appointed as its own arbitrator, the arbitrator appointed by the party demanding arbitration under the notice of Arbitration, and the Arbitration shall proceed forthwith before the sole Arbitrator, who alone, in such event, shall constitute the arbitral tribunal. The Arbitration shall thus be conducted by a panel of three Arbitrators or the Sole Arbitrator, as the case may be (hereinafter called the “**Arbitral Tribunal**”) for the settlement of the question or disputes. The award of the Arbitral Tribunal made hereunder shall be final, conclusive and binding upon the parties.

c) For Foreign Shipyards

Any dispute arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre (“SIAC”) in accordance with the arbitration rules of the Singapore International Arbitration Centre (“SIACRules”) for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of the arbitration shall be [Singapore]. The tribunal shall consist of sole arbitrator and the language of the arbitration shall be in English and seat of arbitration shall be in Singapore. The arbitration shall thus be conducted by the sole arbitrator for the settlement of question or disputes. The award of arbitrator made hereunder shall be final, conclusive and binding upon the parties.

Kindly confirm acceptance of this stem order and also confirm that yard will be able to accommodate vessel in yard on arrival and complete all repairs within quoted period of --- ----- continuous running days (including -----days in dry-dock and -----days in wharf)

धन्यवाद व सादर सहित / Thanks & Best Regards

एम टी दत्ताशंकर / M T Dattashankar

महाप्रबंधक (आरबीएस/डीडी विभाग - बी एंड टी) / General Manager (RBS/DD Dept - B&T)

शिपिंग कॉर्पोरेशन ऑफ इंडिया लिमिटेड / The Shipping Corporation of India Ltd.

फ़ोन (कार्यालय) / Tel (Office): 0091 22 2277 2767

फ़ोन (प्रत्यक्ष) / Tel (Direct): 0091 22 2202 6901

मोबाइल / Mobile: 00 91 9967 225 227