AGREEMENT FOR
DEVELOPMENT AND OPERATION OF AN INTERNATIONAL
SHIP REPAIR FACILITY AT W/ISLAND WITH
PRIVATE SECTOR PARTICIPATION

AGREEMENT No. 25 of 2012-2013

DEVELOPER : M/s. COCHIN SHIPYARD LIMITED
ADMINISTRATIVE BUILDING
P.O. Bag No. 1653
PERUMANOOR P.O.
COCHIN- 682 015

Volume - A
# COCHIN PORT TRUST

## AGREEMENT FOR
DEVELOPMENT AND OPERATION OF AN
INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND
WITH PRIVATE SECTOR PARTICIPATION

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[Signature]

CHIEF ENGINEER
COCHIN PORT TRUST
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(All Documents furnished in the Technical Bid submitted by M/s. Cochin Shipyard Ltd., other than those included in Volume - I of the Agreement)

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AGREEMENT No 25 OF 2012-13

CONTRACT AGREEMENT FOR THE PROJECT OF DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY (ISRF) AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION

THIS AGREEMENT IS MADE on this 24th day December of 2012 BETWEEN THE BOARD OF TRUSTEES OF COCHIN PORT TRUST, a body corporate under the Major Port Trust Act, 1963 having office on Willington Island, Cochin - 682009 represented by its Chairman Shri Paul Antony IAS S/o P P Antony aged 54 years years residing at Rameswaram Village, Kanayannur Taluk, Ernakulam District (hereinafter referred as the “Employer”/ “CoPT”/“Board” which expression shall unless repugnant to the context include their successors, assigns and administrators in the office) of the one part and M/s Cochin Shipyard Ltd, a Govt. of India Enterprise

Contd...2

[Signatures]

K.M PHILOMINA
E.S.R.O. VENDOR

No 58510

Cochin Shipyard Ltd

21-12-2012

23 NOV 2012

DISTRICT STAMP DE.

K."ERNAKULAM"
having office at Perumanoor, Cochin – 682 015, incorporated under the Companies Act 1956, represented by its Chairman & Managing Director, Cmde (Rtd) K Subramaniam aged 57 years S/o (late) A V Subramaniam residing at Ernakulam Village Kanayannur Taluk, Ernakulam District (hereinafter referred as "Developer")/ "CSI," which expression shall unless repugnant to the context or meaning thereof, include their successors, assigns, wholly controlled subsidiaries, and administrators) of the other part.

WHEREAS the Employer invited Bids for the project of Development and Operation of an International Ship Repair Facility at W/Island (ISRF) with Private Sector Participation vide Tender Notice No CP/T-1589/2012-C dated 25th May 2012 and the Developer submitted a Bid for the same subject to the terms and conditions of the Bid Documents.

AND WHEREAS the said Bid submitted by the Developer has been accepted by the Employer vide LOA No CP/T-1589/2012-C dated 19th Sep 2012 issued to the Developer

NOW THESE PRESENTS WITNESSETH and the parties hereby agree as follows:

1. The Bid submitted by the Developer for execution of the Project specified in the underwritten memorandum within the time specified in such memorandum and in accordance with the provisions of the Bid in all respects and Documents hereinafter detailed, is accepted by the Employer.

2. The Developer has agreed to abide by and fulfill all the terms and conditions/provisions of the said Bid Documents and the modifications/changes made in addenda, Letters, and more particularly described hereunder or in default thereof, forfeit and pay to the Employer, the sum of money mentioned in the said conditions.

Contd....3
3. The Developer has furnished to the Employer, a Corporate Performance Guarantee dated 24th December 2012 being an unconditional and irrevocable Guarantee of performance of this contract for an amount of ₹ 39.25 crores (Rupees Thirty nine crores twenty five lakhs only) as per the proforma approved by Employer, as security for due and punctual performance/discharge of its obligations under the Project Agreement during the Contract Period. This Guarantee FOR PERFORMANCE SECURITY shall be invoked in full or part as decided by the Chief Engineer/Employer, whose decision shall be binding on the Developer, on failure of the Developer to perform or on non-fulfillment of the terms and conditions of the Contract by the Developer.

4. It is mutually agreed that the Bid in its entirety shall form part of this Agreement. The following documents shall be deemed to form and be read and construed as part of the Agreement:

   a) LOA as per Cochin Port Trust's letter No. CP/T-1589/2012-C dated 19th Sep 2012 and the Bidder's acknowledgement of receipt of the LOA dated 25th September 2012.

   b) The Bid submitted by the CSL comprising of the Technical Bid dated 22nd Aug 2012 and Price Bid dated 22nd Aug 2012.

   c) Letter No. D(T)/163/2012 dated 08th October 2012 from Director (Technical), CSL addressed to the Chairman, CoPT

   d) Letter No. CP/T-1589/2012-C dated 22nd Oct 2012 addressed to CSL from Chief Engineer, CoPT

   e) Letter No. SEC 248/2012/131 dated 4th December, 2012 addressed to Chairman, CoPT from CMD, CSL.

   f) D O Letter No CP/SRF-General/2011-C dated 07th Dec 2012 from Chairman, CoPT addressed to CMD, CSL.

   g) D O Letter No CP/SRF-General/2011-C dated 14th Dec 2012 from Chairman, CoPT addressed to CMD, CSL.

   h) D O Letter No CP/SRF-General/2011-C dated 17th Dec 2012 from Chairman, CoPT addressed to CMD, CSL.

   Contd...4
5. It is mutually agreed that in case Developer/CSSL are to lose the PSU status in future, all the post tender concessions extended to Developer/CSSL being a PSU, will no longer be available to Developer/CSSL and the tender conditions shall prevail.

**MEMORANDUM**

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<td>c) Performance Security</td>
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<td>After the Date of Award of the Project as Defined in Section 4 of the Bid Document read with the Letters mentioned above</td>
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<td>30 years</td>
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<tr>
<td>f) Time of Commissioning</td>
<td>30 Months for Phase 1, 48 Months for Phase 2 and 60 Months for Phase 3, all from the Date of Award of the Project referred to above</td>
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IN WITNESS WHEREOF, the Chairman & Managing Director hereunto has set his hand and seal on behalf of M/s Cochin Shipyards Ltd and on behalf of the Board of Trustees of COCHIN PORT TRUST, the Chairman has set his hand and seal and common seal of Trustees has been hereunto affixed the day and year first written above.

Signed, sealed and delivered by the

DEVELOPER

By Cmde (Rtd) K Subramaniam

of M/s Cochin Shipyards Ltd.

Signed, sealed and delivered by the

EMPLOYER

By Shri Paul Antony IAS

of M/s Cochin Port Trust

Signed and affixed seal in the presence of

1) [Signature]

2) [Signature]
TENDER FOR DEVELOPMENT & OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT WILLINGDON ISLAND

TENDER NO. CP/T-1589/2012-C

Presented to

COCHIN PORT TRUST

VOLUME-I

22 AUGUST 2012

V. KALA
Secretary
COCHIN SHIPYARD LIMITED

CHIEF ENGINEER

COCHIN PORT TRUST
LIST OF ALL DOCUMENTS ACCOMPANYING THE BID
# LIST OF ALL DOCUMENTS IN BID

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V. KAL
Company Secretary
Cochin Shipyard Limited

General Manager
Cochin Shipyard Limited

Chief Engineer
Cochin Port Trust
Dear Sir,

We take this opportunity to thank CoPT for giving us an opportunity to participate in the tender for Development & Operation of an International Ship Repair Facility at Willingdon Island against Tender No. CPT-1589/2012-C. We hereby submit our Techno-Commercial offer in two separate envelopes as desired by you. Cover-A consists of Cover-A1 & Cover-A2. Please note that Cover-A2 has two volumes, Volume-I & Volume-II). Cover-B (price Bid) is submitted in separate sealed envelope as required in the tender.

2. Cochin Shipyard Limited (CSL) was set up as India’s first Greenfield shipyard, as a Public Sector Enterprise under the Govt. of India. The yard covers an area of approx 170 acres and is capable of undertaking repairs of ships up to 1,24,000 DWT and building ships up to 1,10,000 DWT. CSL has been Operating & Maintaining by itself this major yard with all facilities including dry-docks, quays, various shops (Hull Shop, Engine Shop, Machine Shop, Carpentry Shop, maintenance Shop, Pipe Shop, Electric Shop etc), Cranes, Compressor House, Service facilities, Other Civil Constructions etc.

3. With its enviable track record on the Ship Repair/Ship Building front, CSL is undoubtedly the leader in this field in India. From the biggest & most complex ships ever built or repaired in India, our extremely wide product range is itself proof of our considerable experience in the Construction, Operation & Maintenance of one of the biggest yards in the country successfully for more than 30 years.

4. CSL has till date successfully completed more than 1400 projects on the ship repair front. All types of vessels from tankers to dredgers, jack-up rigs, drill ships, naval vessels, survey vessels, fishing vessels, tugs, port crafts, passenger vessels, etc have been repaired. CSL is the only yard in India with the track record of repairs to Aircraft Carriers. On the ship building front, CSL has successfully undertaken construction of a wide variety of vessels ranging from Tankers, Bulk Carriers, Platform Supply Vessels, Dredgers, Tugs, Anchor Handling Vessels, etc both for Indian & Foreign Clients. CSL has been chosen by the Govt. of India for the construction of the indigenous Aircraft Carrier for the Indian Navy.
5. We wish to inform that CSL not only meets, but exceeds by far the minimum required experience criteria specified in the tender. We assure you that CSL shall spare no efforts in setting up and utilization of the facility being offered by CoPT. We enclose herewith the necessary formats & documents called for in the tender. We shall be happy to submit any additional information or clarification as may be felt necessary by CoPT.

Thanking you and assuring you of our best attention and service at all times. We look forward for your valued order.

Yours Faithfully,

(Suresh Babu, NV)
General Manager (Ship Repair)

N V Suresh Babu
GMD-P&M

General Manager
Cochin Shipyard Limited
Kochi / Kochi - 682 015

V. Kala
Company Secretary
Cochin Shipyard Limited
Kochi / Kochi - 682 015
SECTION 2: LETTER OF BID

To
The Board of Trustees of the Cochin Port Trust,

Through
The Chief Engineer.

I/We hereby Bid for the execution for the Board, of the work specified in the underwritten memorandum within the time specified and in accordance in all respects with the specifications, drawings and instructions in and with such materials as are provided for, by and in all other respects in accordance with such conditions so far as applicable.

MEMORANDUM

a) General description

: "Development and Operation of An International Ship Repair Facility at W/Island with Private Sector Participation".

b) Earnest Money Deposit

: INR 8 Crores (Rupees Eight Crores only)

c) Performance Security

: INR 39.25 Crores (Rupees Thirty Nine Crores Twenty Five Lacs only) as Bank Guarantee.

d) Commencement of work

: After the Date of Award of the Project as defined in Section 4 of the Bid Document.

e) Contract Period

: 30 years.

f) Time for commissioning

: 30 Months for Phase 1, 48 Months for Phase 2 and 60 Months for Phase 3, all from the Date of Award of the Project.

Should this Bid be accepted, I/We hereby agree to abide by and fulfill all the terms and provisions of the said conditions of contract annexed hereto or in default thereof forfeit and pay to the Board, the sum of money mentioned in the said conditions. I/We further agree to execute an agreement with the Board in the prescribed form or in default thereof to forfeit the Earnest Money deposited by me/us.
The sum of INR 8 Crores in DD/Banker’s Cheque/Bank Guarantee, as required, is enclosed in Cover – A1 as Earnest Money, the full value of which is to be absolutely forfeited to the Board in office should I/We withdraw the offer or revise or go back upon the terms of the Bid; or fail to commence the work specified in the memorandum or should I/We not furnish the Performance Security specified in the above memorandum.

Dated the 21st day of August 2012

Signature of Bidder

Address

Witness

Address

Occupation

The above Bid is hereby accepted by me on behalf of the Board

Dated the day of 2012

CHIEF ENGINEER
COCHIN PORT TRUST

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

-13-
BID DOCUMENT EXCEPT THE FILLED IN PRICE BID DULY SIGNED AND SEALED
COCHIN PORT TRUST
COCHIN - 682 009, KERALA, INDIA

Tele: 91-0484-2666414/2666871 Extn.: 2400
Telex: 0885-6203 PORT IN
Fax: 91 0484 2666414
Email: ce@cochinport.gov.in
Website: www.cochinport.gov.in

TENDER FOR
DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP
REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR
PARTICIPATION

(Tender No. CP/T-1589/2012-C)

VOLUME – I: TECHNICAL BID

CHIEF ENGINEER’S OFFICE,
COCHIN PORT TRUST,
COCHIN- 682 009.

PRICE: INR 50,000/-

MAY 2012

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

N V Subhash Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

CHIEF ENGINEER
Kochi - 682 015
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- **Figure – I** Cochin Port Layout
- **Figure – II** International Ship Repair Facility - Location Plan
**SECTION 1: TENDER NOTICE**

1.1. Global sealed tenders in 'Two Cover' system are invited for the project of Development and Operation of an International Ship Repair Facility at W/Island (USRF) with Private Sector Participation from well experienced and reputed firms with proven technical and financial capabilities for executing the project.

1.2. Details of sale / submission of Tender Documents are as under:

<table>
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<th>From 25/05/2012 to 24/07/2012 between 10.00 hrs and 17.00 hrs.</th>
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<td>Date of Pre-Bid meeting</td>
<td>14.30 hrs on 14/06/2012</td>
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<tr>
<td>Last date and time of submission of Bids/ Bid Due Date</td>
<td>14.30 hrs on 25/07/2012</td>
</tr>
<tr>
<td>Date and time of opening of the Technical Bid</td>
<td>15.00 hrs on 25/07/2012</td>
</tr>
</tbody>
</table>
**Earnest Money Deposit (EMD)**

<table>
<thead>
<tr>
<th>INR 8 Crores shall be submitted through Demand Draft or Banker’s Cheque in favour of Financial Adviser &amp; Chief Accounts Officer, Cochin Port Trust, from any Nationalised Bank/Scheduled Bank in India, payable at Cochin. OR</th>
</tr>
</thead>
<tbody>
<tr>
<td>INR 1 Crore of EMD shall be submitted through Demand Draft or Banker’s Cheque in favour of Financial Adviser &amp; Chief Accounts Officer, Cochin Port Trust, from any Nationalised Bank/Scheduled Bank in India, payable at Cochin and the balance amount of EMD shall be furnished through an irrevocable Bank Guarantee (BG), enforceable and encashable at Cochin, drawn from any Nationalized Bank/Schedule Bank in India, as per Pro forma at Annexure-X. The BG shall be valid for a period of 180 days from the Bid Due Date inclusive of a claim period of 60 (sixty) days and may be extended as may be mutually agreed between the Authority and the Bidder from time to time. In case of BG furnished for EMD, a reference will be made to the concerned Bank by Cochin Port Trust for confirming the authenticity of BG issued and in case, BG furnished is found invalid, the Tender is liable for rejection. The Tender not accompanied with EMD shall be treated invalid.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost of Tender Document</th>
</tr>
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<tbody>
<tr>
<td>INR 50,000/- (Non-refundable) either in cash receipt issued by FA &amp; CAO, CoPT or by Demand Draft / Banker’s Cheque drawn from any Nationalised / Scheduled bank operating in India in favour of FA &amp; CAO, CoPT and payable at Cochin.</td>
</tr>
</tbody>
</table>

1.3. The Tender Documents and other details can be had from the OFFICE OF THE DY. CHIEF ENGINEER during working hours, i.e., between 10.00 hrs and 17.00 hrs, from 25/05/2012 to 24/07/2012 on payment of cost of the Tender Document as detailed above. Tender Documents are non-transferable. Tenderers must obtain the Tender Documents in their own name and submit their Tenders directly.
1.4. Tender Document will also be available in Port’s website (www.cochinport.gov.in) as well as Govt. tender website (www.tenders.gov.in) which can be downloaded for submission along with the cost of document as specified above.

1.5. The scope of work/Project includes development, design, financing, construction, operation and maintenance of an International Ship Repair Facility along with ancillary/allied facilities for a period of 30 years, in accordance with/ conforming to ‘Appendix-2: Project Requirements’ of this Tender Document.

1.6. Tender Documents will be issued to all parties remitting its cost. However, the Tenderers who wish to participate must fulfill the following Minimum Qualification Criteria:

(i) **Financial Capability:** The average annual financial turnover of the Tenderer during the last three years ending 31st March 2012 shall not be less than Rs. 235.50 crores or equivalent foreign currency. In case the tendering entity is not in existence for the last 3 years, the average annual financial turnover of the entity shall be equal to or more than Rs. 235.50 crores for the period of their existence. The entities in existence for less than one year will not be eligible for bidding. The Tenderers shall produce certified / notarised copies of audited Annual Accounts. In case of provisional Annual Accounts, a Certificate to the effect from their Auditors has to be submitted.

(ii) **Experience:** The Tenderer shall have successfully developed, operated and maintained Ship Repair / Ship Building Facilities in line with any of the following options:

(a) with a total investment of not less than: (i) Rs. 628 Crores in the event of a single project; or (ii) Rs. 392.50 Crores each in the event of two projects; or (iii) Rs. 314 Crores each in the event of three projects;

OR

![Signature]

En. Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

OR

![Signature]

Chief Engineer
Cochin Shipyard Limited
Kochi - 682 015
(b) for simultaneous repair/building of at least 2 vessels up to 25000 DWT with Length (LOA) of the vessel - 160 m, Beam of the vessel - 26 m, Maximum Light Weight of the vessel in the dry dock position - 8000 T.

The ship repair/building facility mentioned above means graving dry dock or floating dry dock or ship lift system.

The Projects reckoned for the above purpose are those performed by the Tenderers as Principal Developer/Contractor. In the event, the Tenderer has performed the services as a member of JV, only the proportionate amounts based on equity shareholding shall be considered.

In the event that the Bidder does not have the requisite Operation and Maintenance (O&M) experience, it should furnish an undertaking that if selected to undertake the Project, it shall for a period of at least 5 (five) years from the date of commencement of commercial operation of the Project, enter into an agreement for entrusting its operations & maintenance (O&M) obligations to an entity having the aforesaid experience, failing which the Agreement shall be liable for termination.

Tenders of only those who fulfill the above Minimum Qualification Criteria will be considered for detailed evaluation. In this context, the Tenderers shall refer to Clause 3.5. of this Tender Document.

1.7. Land and Water areas required for development of the Ship Repair Facility along with ancillary/allied facilities, as detailed in 'Appendix - 1: The Port Assets to be Transferred to the Developer', of this Bid Document, shall be provided by the Port to the Successful Bidder/Developer till the expiry of the Contract Period. The Successful Tenderer/Developer shall utilize the above Port Assets for Setting up of an International Ship Repair Facility along with ancillary/allied facilities, conforming to the provisions in 'Appendix - 2: Project Requirements', of this Bid Document. The Successful Bidder/Developer shall also comply with the requirements of employing CoPT's personnel/labour currently deployed in the Workshop Complex as set out in 'Appendix-3: Employing Existing Personnel/Labour'.

1.8.1. Land and Water area required for development of the Ship Repair Facility (Project Site) shall be provided to the Developer in two stages on lease
basis, with a Lease Period of 30 years or up to the date of expiry of the Contract Period, whichever is earlier, subject to the terms and conditions of a Lease Deed as per Annexure-XIII, to be executed in this regard by the Parties. The Lease Deed for the first stage allotment shall be executed within 120 days of date of the Agreement for this Project.

1.8.2. The Developer shall pay the **Annual Lease Rent (ALR)** as per the prevailing Scale of Rates (SOR) with uniform escalation of 2% every year, till the end of Lease/Contract Period. The Scale of Rates (SOR) will undergo revision after every five (5) years based on the then existing Scale of Rates. The Annual Lease Rent for land area as per the SOR approved by the TAM is Rs. 26,67,600/- (Base year 2010-2011) per hectare per annum plus Service Tax as per rules. The Annual Lease Rent for water area shall be 50% of the Annual Lease Rent for land area. The Lease Rent will be escalated by 2% in April every year. The present rate of Annual Lease Rent for land area (2012-13) is Rs. 27,74,304/- per hectare plus Service Tax and that for water area is Rs. 13,87,152/- per hectare plus Service Tax.

1.8.3. The Successful Tenderer/Developer shall also deposit an amount equal to one year’s Annual Lease Rent for the Lease Period as **Security Deposit** which will be refunded on expiry of Lease/Contract Period of 30 years.

1.9. In consideration of the Port’s Assets to be transferred to the Developer other than Project Site, listed in Appendix-1, the Developer shall pay to the Employer, an **Upfront Payment** of INR 12.92 Crores (Rupees Twelve Crore Ninety Two Lakhs only), and the **Upfront Fee** quoted in the Price Bid, within 28 Days from the date of LOA or date of signing of Agreement, whichever is earlier.

1.10. All statutory clearances required for this project including **Environmental Clearance** shall be taken by the Successful Bidder/Developer for the facilities to be implemented by the Developer. The Port has tentatively identified three options for the Development of Ship Repair Facilities however, these options are just indicative only. The Successful Bidder has to establish its technical feasibility and environmental acceptability on its own.
1.11. The Tenderers have to quote the following in their Price Bids (Vol. II) of this Tender Document:

(i) Upfront Fee; and

(ii) Guaranteed Amount (GA) which the Bidder undertakes to pay per annum, till the expiry of the Contract Period of 30 years.

The financial evaluation will be based on the concept of maximum revenue realization to the Port, using the NPV analysis, i.e., the Successful Tenderer/Developer shall be decided on the basis of Total Revenue Earnings to the Port from this project during the Contract Period, determined as per NPV analysis. For NPV analysis a discount factor of 10 % will be reckoned. The project will be awarded to the Bidder whose NPV is highest, provided the Port is satisfied with the Total Revenue Earnings and all conditions of the Tender have been complied with.

1.12. Bids received after the stipulated last date and time for receipt will not be considered.

1.13. Cochin Port Trust reserves the right to reject any or all the Bids without assigning any reason thereof.

CHIEF ENGINEER
COCHIN PORT TRUST

V. KALÁ
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

[Signature]

[Signature]
SECTION 2: LETTER OF BID

To

The Board of Trustees of the Cochin Port Trust,

Through

The Chief Engineer.

I/We hereby Bid for the execution for the Board, of the work specified in the underwritten memorandum within the time specified and in accordance in all respects with the specifications, drawings and instructions in and with such materials as are provided for, by and in all other respects in accordance with such conditions so far as applicable.

MEMORANDUM

a) General description : "Development and Operation of An International Ship Repair Facility at W/Island With Private Sector Participation".

b) Earnest Money Deposit : INR 8 Crores (Rupees Eight Crores only)


d) Commencement of work : After the Date of Award of the Project as defined in Section 4 of the Bid Document.

e) Contract Period : 30 years.

f) Time for commissioning : 30 Months for Phase 1, 48 Months for Phase 2 and 60 Months for Phase 3, all from the Date of Award of the Project.

ए. दी. सुरेश बाबु
General Manager
Cochin Shipyard Limited

K. V. Kalod
Company Secretary
Cochin Shipyard Limited

COCHIN PORT TRUST
Should this Bid be accepted, I/We hereby agree to abide by and fulfill all the terms and provisions of the said conditions of contract annexed hereto or in default thereof forfeit and pay to the Board, the sum of money mentioned in the said conditions. I/We further agree to execute an agreement with the Board in the prescribed form or in default thereof to forfeit the Earnest Money deposited by me/us.

The sum of **INR 8 Crores** in DD/Banker’s Cheque/Bank Guarantee, as required, is enclosed in Cover - A1 as Earnest Money, the full value of which is to be absolutely forfeited to the Board in office should I/We withdraw the offer or revise or go back upon the terms of the Bid; or fail to commence the work specified in the memorandum or should I/We not furnish the Performance Security specified in the above memorandum, otherwise the said sum of **INR 8 Crores** in DD/Banker’s Cheque/Bank Guarantee shall be retained by the Board on account of and towards such Performance Security as aforesaid.

Dated the ______________ day of ______________ 2012.

Signature of Bidder

Address

Witness

Address

Occupation

The above Bid is hereby accepted by me on behalf of the Board

Dated the ______________ day of ______________ 2012.

**CHIEF ENGINEER**

**COCHIN PORT TRUST**

---

*V. KALA*

Company Secretary

Cochin Shipyards Limited

Kochi - 682 015

---

*N. V. Suresh Babu*

General Manager

Cochin Shipyards Limited

Kochi - 682 015
SECTION 3: INSTRUCTIONS TO BIDDERS

3.1 INTRODUCTION

3.1.1 Sealed Bids in Two Cover system are invited by CoPT for “Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation”.

3.1.2 Brief details about the Cochin Port are given in Section 7 of this Bid Document.

3.2 CONTENTS OF THE BID AND PACKAGE

3.2.1 Bids shall be submitted in two covers, viz., Cover A and Cover B, in separate sealed envelopes superscribed with tender number, due date and name (Technical Bid or Price Bid), as detailed below.

3.2.2 Cover A (Technical Bid):

This cover shall contain all technical and commercial details except Price Bid, duly signed on all pages. It shall consist of two separate covers: Cover A1 and Cover A2.

3.2.2.1 Cover A1 shall contain:

(i) EMD as described in Clause 2 of Tender Notice; and
(ii) Cost of Bid Document as mentioned in Clause 4 of Tender Notice in case the bid document is downloaded.

3.2.2.2 Cover A2 shall contain the following:

(i) List of all documents accompanying the Bid;
(ii) A covering letter from the Bidder detailing various considerations in his Bid without any description of the Price Bid;
(iii) Bid Document except the filled in Price Bid duly signed and sealed;
(iv) Document in support of TIN/PAN;
(v) Integrity Pact (IP) shall cover this Tender throughout its various phases, and IP would be deemed as a part of the Tender through an appropriate provision. The Tenderer should sign and submit a ‘Pre-Contract Integrity Pact’ to be executed between the Tenderer and Cochin Port Trust as per the format at
Annexure-I, along with the Tender in a separate envelope superscribed “Pre-Contract Integrity Pact”. IP would be implemented through the following Independent External Monitor (IEM) for this Tender: Sri P.C. Cyriac, IAS (Retd), 28/3551-B, Waterfront Enclave, Off Chilavannoor Road, Cochin-682 020;

(vi) An undertaking that the Bidder has not made any payment or illegal gratification to any person/authority connected with the Bid process so as to influence the Bid process and has not committed any offence under the Prevention of Corruption Act in connection with the Bid as per the proforma at Annexure – II;

(vii) A statement disclosing payment made/proposed to be made to the intermediaries in connection with the Bid as per the proforma at Annexure – III. In case no payment is made or proposed to be made a ‘Nil’ statement shall be enclosed.

(viii) Undertaking that no changes have been made in the Bid Document as per the proforma at Annexure – IV.

Tenders not accompanied by the above Annexures - I to IV shall be rejected.

(ix) (a) In case the Bidder is a Partnership firm:

(i) Registered Partnership deed; and

(ii) Power of Attorney duly executed, in the name of Bidder’s authorised representative to act on behalf of the Bidder, duly authenticated by a notary public or equivalent certifying authority as per Annexure-V to the Bid Document.

(b) In case the Bidder is a Limited Company:

(i) Registration certificate of the company and Memorandum and Articles of Association of the company; and

(ii) Power of Attorney duly executed, in the name of Bidder’s authorised representative to act on behalf of the Bidder, duly authenticated by a notary public or equivalent certifying authority as per Annexure-V to the Bid Document.

(c) In case the Bidder is a Joint Venture / Consortium:

(i) Registered JV / Consortium Agreement as per Annexure-IX;
(ii) Power of Attorney duly executed and signed by legally authorized signatories of all the partners, authorising the Lead Partner to act on behalf of the Bidder, duly authenticated by a notary public or equivalent certifying authority as per Annexure-VI to the Bid Document; and

(iii) An undertaking that all the partners are jointly and severally liable to the Employer for the performance of the contract.

(x) Details in proof of Minimum Qualification Criteria as detailed under Clause 3.5.

**Explanatory notes:**

(1) 'Original or attested copy of Certificates from statutory auditors/concerned clients of each work issued by the client / the responsible officers of the client under whom the Bidder has executed such contracts shall be attached. The certificate shall invariably contain the following among other things:

   a. Details of work involved in the project including project cost;
   b. Capacity of the facility / commissioned;
   c. Date of commencement; and
   d. Date of completion / commissioning of the work.

(2) If the experience claimed is as a partner for a work executed by a joint venture then such experience as a Lead Member will only be considered.

In case joint venture is bidding for this project, combined experience of JV partners shall be considered provided that minimum value of project executed in past by individual members shall not be less than Rs. 314 crores. The copy of joint venture agreement certified by statutory auditors in this respect shall be attached.

In case of financial turnover of joint venture bid, aggregate financial turnover of each member of joint venture will be considered provided that the average annual financial turnover for the last three financial years ending 31st March 2012, of individual member shall not be less than Rs. 100 crores.

Each member of joint venture can be independent person / firm / corporation / company.
(3) The Bidder is also obliged to produce the original of the certified copy(s) on request by the department.

(xi) Audited financial statements, viz., profit and loss account and balance sheet etc. to substantiate the average annual financial turnover during the last three financial years ending 31st March 2012 as detailed under Clause 3.5.1.(i).

(xii) An undertaking that Cover B does not contain any condition as per proforma at Annexure – VII;

(xiii) A write up of the proposed plan of development of the International Ship Repair Facility complying with the Project Requirements as set out in Appendix - 2.

(xiv) A Bar Chart for various activities to be undertaken for development of the International Ship Repair Facility in compliance of the Project Requirements as set out in Appendix - 2.

3.2.3 Cover-B (Price Bid):

This cover shall contain only the 'Financial offer' as per Annexure-VIII duly filled in. In this cover the Bidder(s) shall quote the following:

(i) Upfront Fee; and

(ii) Guaranteed Amount (GA) which the Bidder undertakes to pay per annum, till the expiry of the Contract Period of 30 years.

The financial quotes shall be written both in words and figures and in case of any deviation, the quotes in words shall be valid and binding. The Cover-B: Price Bid should be submitted in a separate sealed cover superscribed with the words “Tender for Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation - COVER B : PRICE BID”. The Cover B shall not contain any condition. The Bids shall be valid for a period of at least 120 (one hundred and twenty) days from the Bid Due Date. The Cochin Port Trust (CoPT) reserves the right to reject any Bid which does not meet this requirement and the EMD shall be forfeited.

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

N. Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

CHIEF ENGINEER
Cochin Port Trust
3.2.4 The "Financial Offer" at Annexure-VIII contained in the Bid Documents in Cover -A2 shall be left as such without filling in the rates. Cover-A1 and Cover-A2 shall then be put in a separate cover superscribed “Tender for Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation - Cover A: Technical Bid". The Cover- A and Cover- B shall then be put together in another cover which shall be sealed and superscribed with the words "Tender for Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation", Tender Number, and Due date” and shall be addressed to the Chief Engineer, Cochin Port Trust, Willingdon Island, Cochin-682009, Kerala, India.

The Bidder should ensure that his quote as per Cover-B is not mentioned anywhere in any other documents, directly or indirectly. If any such mention is made, the Bid shall become invalid and liable for rejection.

The financial evaluation will be based on the concept of maximum revenue realization to the Port, using the NPV analysis, i.e., the Successful Tenderer/Developer shall be decided on the basis of Total Revenue Earnings to the Port from this project during the Contract Period, determined as per NPV analysis. For NPV analysis a discount factor of 10 % will be reckoned. The project will be awarded to the highest Bidder, provided the Port is satisfied with the Total Revenue Earnings and all conditions of the Tender have been complied with.

3.3 PRE- BID MEETING

A PRE- BID meeting will be held in the Conference Hall of Cochin Port Trust at 14. 30 hrs on 14/06/2012. Attendance in the Pre-Bid meeting is strongly advised. Should there be any discrepancy in or any doubt or obscurity as the meaning of any of the Bid Documents or as anything to be done or not to be done by the Bidders or any clarification or if any additional information is needed by the Bidders, these shall be set forth in writing and submitted to the Chief Engineer, well in advance of the date fixed for the Pre-Bid meeting. Minutes of the meeting, including the text of the questions raised (without identifying the source (D) and the responses given will be transmitted without delay to
all purchasers of the Bid Document. The decisions/replies/clarifications shall also be hosted at the Cochin Port Trust website www.cochinport.gov.in and www.tenders.gov.in.

3.4 DATE, TIME & PLACE OF SUBMITTING BIDS

3.4.1 The sealed Bids superscribed with the words “Tender for Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation”, and also indicating Tender Number, and Due date, should reach the office of the Chief Engineer, Cochin Port Trust, Willington Island, Cochin-9, on or before 25/07/2012 by 14.30 hrs.

3.4.2 In case of Bid Document being downloaded from the web site, at the time of submission of (the hard copy of) the Bid Document, the Bidders shall give an undertaking that no change have been made in the document as per proforma at Annexure -IV. To avoid any discrepancy between the downloaded Bid Document and hard copy of the Bid document duly filled in, Bidders qualified for opening of Price Bid shall have to sign the hard copy of the Bid Documents which would form part of the Agreement.

3.5 MINIMUM QUALIFICATION CRITERIA

3.5.1 Minimum Qualification Criteria for qualifying the Bidders for opening the Price Bids in Cover- B of the Bid will be as below:

(i) Financial Capability: The average annual financial turnover of the Tenderer during the last three years ending 31st March 2012 shall not be less than Rs. 235.50 crores or equivalent foreign currency. In case the tendering entity is not in existence for the last 3 years, the average annual financial turnover of the entity shall be equal to or more than Rs. 235.50 crores for the period of their existence. The entities in existence for less than one year will not be eligible for bidding. The Tenderers shall produce certified/notarised copies of audited Annual Accounts. In case of provisional Annual Accounts, a Certificate to the effect from their Auditors has to be submitted.

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi / Kochi - 682 015

N. A. Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi / Kochi - 682 015
(ii) **Experience:** The Tenderer shall have successfully developed, operated and maintained **Ship Repair/Ship Building Facilities** in line with any of the following options:

(a) with a total investment of not less than: (i) Rs. 628 Crores in the event of a single project; or (ii) Rs. 392.50 Crores in the event of two projects; or (iii) Rs. 314 Crores in the event of three projects

OR

(b) for simultaneous repair/building of at least 2 vessels up to 25000 DWT with Length (LOA) of the vessel - 160 m, Beam of the vessel - 26 m, Maximum Light Weight of the vessel in the dry dock position - 8000T.

The ship repair/building facility mentioned above means graving dry dock or floating dry dock or ship lift system.

3.5.2 The Projects reckoned for the above purpose are those performed by the Tenderers as Principal Developer/Contractor. In the event the Tenderer has performed the services as a member of JV, only the proportionate amounts based on equity shareholding shall be considered.

3.5.3 In the event that the Bidder does not have the requisite Operation and Maintenance (O&M) experience, it should furnish an undertaking that if selected to undertake the Project, it shall for a period of at least 5 (five) years from the date of commercial operation of the Project, enter into agreement for entrusting its operations & maintenance (O&M) obligations to an entity having the aforesaid experience, failing which the Agreement shall be liable to termination.

3.5.4 Tenders of only those who fulfill the above Minimum Qualification Criteria will be considered for detailed evaluation.

**Explanatory notes:**

(a) For bringing value of works/projects to current level, multiplying factors as shown below shall be used. However, for any work developed, operated and maintained beyond 15 years, the factor applicable for 15 years shall apply.

签名

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015
<table>
<thead>
<tr>
<th>Works completed during the period:</th>
<th>Multiplication Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st March 2011 to 30th April, 2012</td>
<td>1.00</td>
</tr>
<tr>
<td>1st March 2010 to 30th April, 2011</td>
<td>1.05</td>
</tr>
<tr>
<td>1st March 2009 to 30th April, 2010</td>
<td>1.10</td>
</tr>
<tr>
<td>1st March 2008 to 30th April, 2009</td>
<td>1.16</td>
</tr>
<tr>
<td>1st March 2007 to 30th April, 2008</td>
<td>1.22</td>
</tr>
<tr>
<td>1st March 2006 to 30th April, 2007</td>
<td>1.28</td>
</tr>
<tr>
<td>1st March 2005 to 30th April, 2006</td>
<td>1.34</td>
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<tr>
<td>1st March 2004 to 30th April, 2005</td>
<td>1.41</td>
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<tr>
<td>1st March 2003 to 30th April, 2004</td>
<td>1.48</td>
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<td>1st March 2002 to 30th April, 2003</td>
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<tr>
<td>1st March 2001 to 30th April, 2002</td>
<td>1.63</td>
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<td>1st March 2000 to 30th April, 2001</td>
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<td>1st March 1999 to 30th April, 2000</td>
<td>1.80</td>
</tr>
<tr>
<td>1st March 1998 to 30th April, 1999</td>
<td>1.89</td>
</tr>
<tr>
<td>1st March 1997 to 30th April, 1998</td>
<td>1.98</td>
</tr>
</tbody>
</table>

(b) The Original or attested copy of Completion Certificates issued by the clients/owners of the projects regarding successful completion of the work, as indicated in the Explanatory Notes under Clause 3.2.2.2.(x) are to be submitted by the Bidder along with the Bid.

(c) If the Bidder is a joint venture company: (i) the financial turnover and/or (ii) the experience of any of the partner company in the joint venture will be taken into account for the purpose of this Bid, provided the joint venture company has been duly constituted under applicable laws.
(d) For conversion of foreign currency to Indian Rupee, the rate prevailing as on due date of submission of Bid will be considered.

3.6 THE BIDDER

3.6.1. The Bidder shall be an individual, registered partnership firm, Limited Company, a Joint Venture or a Consortium.

3.6.2. If the Tender is made by an individual, it shall be signed by his full name and his address shall be given.

3.6.3. In the event of the Tender being submitted by a registered partnership firm, it must be signed individually by each partner thereof. In the event of absence of any partner, it must be signed on his behalf by the person holding a proper Power-of-Attorney, authorizing him to do and to bind the partner in all matters pertaining to the contractor including the arbitration clause, such Power-of-Attorney to be attached with the Bid in Annexure-V which must disclose that the firm is duly registered under Indian Partnership Act.

3.6.4. If the Tender is made by a Limited Company it shall be signed by a duly authorized person who shall produce with the Bid, satisfactory evidence of the authorization as per the proforma given in Annexure-V.

3.6.5. In case the Bid is made by a joint venture company, Consortium of companies or other unincorporated grouping of two or more persons/companies, a legally binding Joint Venture/Consortium Agreement signed by the authorized signatories of all partners of the JV/Consortium certified by a notary public as per the proforma at Annexure-IX may be attached.

3.6.6. Bid submitted by an unincorporated Joint Venture of companies (JV)/Consortium of companies (Consortium), shall comply with the following requirements:

   a) One of the partners of JV/Consortium should have purchased/downloaded the Bid Documents.

   b) Participation by a firm in more than one JV/Consortium is not permissible. A firm who submits Bid on individual capacity is not eligible to be a partner of a JV/Consortium. In case a
firm's name appears in more than one Bid, then both
application may be rejected.

c) Each partner must submit the complete documentation, or
portions applicable thereto, required to qualify the firm for
Bidding.

d) All the partners of the JV/Consortium shall be jointly and
severally liable during the Bidding process and for the
execution of the work in accordance with the Contract terms.

e) In the case of Successful Bidder, the Contract Agreement shall
be signed and/or executed in such a manner as may be
required for making it legally binding on all partners. The
Contract shall be signed by legally authorised signatories of all
partners.

f) All the partners of the JV/Consortium shall be jointly and
severally liable for due performance, recourse/sanctions within
the joint venture in the event of default of any partner and
arrangements for providing the required indemnities.

g) Notwithstanding demarcation or allotment of work among
the partners, each partner shall be liable for non-performance
of the whole contract irrespective of their demarcation or share of
work.

h) The Lead Partner shall be authorized to act on behalf of the
JV/Consortium.

i) All the correspondences between the Employer and the
Successful Bidder/Developer shall be routed through the Lead
Partner.

j) The Lead Partner shall be authorized to incur liabilities and to
receive instructions for and on behalf of any and all partners of
the JV/Consortium and to carry out the entire execution of the
contract including payment, exclusively through the Lead
Partner.

k) The Lead Partner will provide suitable experienced personnel at
site for the purpose of general planning, site management and
equipment operations, during the whole period of contract
execution.

l) In the event of default by the Lead Partner, it shall be
construed as default of the Bidder/Contractor; and Employer
will take action under relevant clause(s) of the Department Bid
Document and/or Conditions of Contract.
m) A legally binding Joint Venture/Consortium Agreement signed by authorised signatories of all the partners of the JV/Consortium, as per the proforma at Annexure - IX shall be enclosed with the Bid.

n) In case, the Joint Venture/Consortium Agreement enclosed with the Bid is not acceptable to the Employer, the JV / Consortium will modify the agreement so as to be acceptable to the Employer.

o) Power of Attorney duly executed and signed by legally authorized signatories of all the partners, authorizing the Lead Partner: (a) to submit Bid, negotiate and conclude contract and incur all liabilities therewith on behalf of the partner(s) of the JV /Consortium during the bidding process, and (b) in the event of a successful Bid, to incur liabilities and receive instructions for and on behalf of the partner(s) of the JV / Consortium and to carry out the entire execution of the contract including payment; exclusively through Lead Partner, as per the proforma at Annexure - VI, which shall be duly authenticated by a notary public or equivalent certifying authority, shall be enclosed with the Bid.

p) An undertaking that all the partners are jointly and severally liable to the Employer for the performance of the contract shall be enclosed with the Bid.

3.7 LANGUAGE OF THE BID

The Bid submitted by the Bidder and all correspondence and documents relating to the Bid exchanged by the Bidder and the Employer shall be written in ENGLISH LANGUAGE. Any printed literature, other than in English language, shall be accompanied by an English translation, in which case for purpose of interpretation of the Bid, the English translation shall govern.

3.8 NUMBER OF BIDS AND COST THEREOF

3.8.1 No Bidder shall submit more than one Bid for the work/project. A Bidder applying individually or as a member of the JV/Consortium shall not be entitled to submit another Bid either individually or as a member of any JV/Consortium as the case may be.
3.8.2  The Bidders shall be responsible for all the costs associated with the preparation of their Bid preparation and their participation in the Bid process. CoPT will not be responsible or in any way liable for such costs, regardless of the conduct or outcome of the bidding process.

3.9.  SITE VISIT
The Bidder is advised to visit and inspect the site and its surroundings and satisfy himself before submitting their Bids as to the site conditions, location, surroundings, nature of soil, climate, access to site, handling and storage of materials/equipments, tidal variations etc. that may be necessary for preparing the Bid and entering into a contract, in case of being successful. The site visit shall be at the Bidder's own responsibility and expense. The Port Trust will be in no way responsible for the lack of such knowledge and also consequences thereof to the Bidder.

3.10  RIGHT TO ACCEPT OR REJECT ANY OR ALL BIDS

3.10.1 The Employer does not bind himself to accept the highest or any other bid and reserves the right to accept any Bid in part or to reject any bid or all bids without assigning any reasons whatsoever.

3.10.2 The Employer reserves the right to reject any Bid if:
   (i) at any time a material misrepresentation is made or uncovered or
   (ii) any of the prescribed condition is not fulfilled or any condition is put forth which is not acceptable to the department and.
   (ii) the Bidder does not provide within the time specified by the employer the supplemental information sought by the employer for evaluation of the Bid.

3.11  AMENDMENT TO THE BID DOCUMENT
At any time prior to the due date for submission of the Bid, the Chief Engineer may for any reason, whether at his own initiative or in response to clarifications requested by a prospective Bidder, modify the Bid Documents by issuance of addendum. Any addendum thus issued will be sent to all the Bidders who have purchased/downloaded the Bid documents from the web sites and will be binding upon them. In order to afford the Bidders with reasonable time to take addendum into
account, or for any other reason, the Port Trust may, at its discretion, extend the due date for submission of Bid. The addendum thus issued and the Bid extension notice will also be hosted in CoPT website www.cochinport.gov.in and www.tenders.gov.in.

3.12 CHANGES/ MODIFICATIONS TO SUBMITTED BIDS
Any alterations, modification or change in the submitted Bids shall be sent in writing and must reach the Chief Engineer, CoPT prior to the closing time on the last date set for submission of Bids. No notice of alterations, modification or change of the Bids shall be accepted after closing time on due date.

3.13. OPENING AND EVALUATION OF BIDS
3.13.1 Cover-A shall be opened at 15.00 hrs. on 25/07/2012 in the Chief Engineer's chamber in the presence of the Bidders or their representatives as may be present. At first, the Cover-A1 containing the EMD, shall be opened. Cover-A2 of only those Bidders shall be opened whose EMD in Cover-A1 is found to be in order. In case, the Earnest Money is not deposited or is not in order, the EMD (Cover-A2 and Cover-B) will be returned to the Bidder at the spot if the Bidder is present, or later by post. The Cover-A2 will also be opened on the due date. The authenticity of the details furnished by the Bidder shall be verified and confirmed as per the bid stipulation. Cover-B of all the Bids will be enclosed in a separate envelope and sealed and initialed by the officers opening the Bid.

3.13.2 The Technical Bids shall then be examined in detail for their technical contents with respect to the details stipulated to be furnished in cover-A2 by the Bidder. The Pricc Bid (Cover-B) of only the technically qualified short-listed Bidders who are found responsive and satisfactory on evaluation of Cover-A, will be opened on a date to be decided and intimated.

3.14 VALIDITY OF BIDS
3.14.1 The Bids shall be valid for a period of at least 120 (one hundred and twenty) days from the Bid Due Date. The Cochin Port Trust (CoPT) reserves the right to reject any Bid which does not meet this requirement and the EMD shall be forfeited.
3.14.2 In exceptional circumstances, prior to expiry of the above Bid Validity Period, CoPT may, by a request in writing, require the Bidders to extend the period of validity for a specified additional periods. Bidders who are willing for such an extension shall have to communicate their acceptance, within the specified time as mentioned in the request made by the Port Trust for validity extension. A Bidder may also refuse the request without forfeiting its Earnest Money Deposit. However, no claim from such Bidders, whatsoever, concerned with this bidding, will be entertained by the Port Trust. A Bidder agreeing to the request will not be allowed to modify its Bid.

3.15 SHORT LISTING AND NOTIFICATION OF TECHNICALLY QUALIFIED BIDDERS

After the evaluation of Bids, the technically qualified Bidders will be shortlisted by the CoPT and they will be notified in writing. CoPT will notify the other Bidders that they have not been qualified for the Price Bid Stage. CoPT will not entertain any query or clarification from any Bidder in this regard.

3.16 INVITATION FOR REVISED PRICE BIDS

Invitation for Revised Price Bids, shall be made if found required, due to bringing all Bidders to the same footing during evaluation of technical Bid or due to the modifications / amendments made in the Bid Documents through addendum(s) or otherwise.

3.17 SUCCESSFUL BIDDER

The financial evaluation of bidders will be based on the concept of maximum realization to the Port, using the NPV analysis, i.e., the Successful Bidder/Developer shall be decided on the basis of Total Revenue Earnings to the Port from this project during the Contract Period, determined as per NPV analysis. The project will be awarded to the highest Bidder, provided the Port is satisfied with the Total Revenue Earnings and all conditions of the Tender have been complied with.
3.18 **CURRENCY**

The currency for the purpose of the Bid shall be Indian Rupee and all payments due to the Port / Bidder under this contract will be made in Indian Rupees only.

3.19 **LATE BIDS**

Bids received after the due date and time specified for submission shall not be eligible for consideration and shall not be opened.

3.20 **GENERAL INSTRUCTIONS**

3.20.1 The Bid shall be typed or written in indelible ink and shall be signed by the Bidder or person duly authorized to sign on behalf of the Bidder. All pages of the Bid Document shall be page numbered and initialed by the person signing the Bid. The name and position held by the person signing the Bid should be typed or printed or sealed below the signature.

3.20.2 If there are varying or conflicting provisions made in any document forming part of the contract, the Chief Engineer, Cochin Port Trust shall be the deciding authority with regard to the intention of the document which will be binding on the Bidder.

3.20.3 The Chief Engineer, Cochin Port Trust shall have the right to omit or suspend certain items of work or revise or amend the Bid Documents prior to the due date of submission of the Bid. Such revisions or amendments or extensions if any, shall be communicated to all the Bidders who have down loaded/purchased the Bid Documents, in the form of an addendum by telefax/ e-mail/ writing. In order to afford the Bidders with reasonable time to take addendum into account, or for any other reason, the Port Trust may, as its discretion, extend the due date for submission of extension notice shall be hosted in our website www.cochinport.gov.in or www.tenders.gov.in.

3.20.4 The Qualification of the Bidders will be entirely at the discretion of the Employer. Bidders will be deemed to have understood and agreed that no explanation or justification on any aspect of the bidding process or selection will be given.
3.20.5 The Chief Engineer or his duly authorized assistant will open the Bids in the presence of intending Bidders who may be present at the time in person or through their authorized representative. In the event of a Bid being rejected, the earnest money paid with such unaccepted Bid shall be refunded to the Bidders by the Financial Adviser and Chief Accounts Officer direct.

3.20.6 The Bid should be typed or written legibly and free from erasures and over writings or conversions of figures. Correction where unavoidable, should be duly attested by the signature(s) of the Bidder(s) with dates.

3.20.7 In the event of the Bidder, after the issue of the communication of acceptance of offer by the Board, failing /refusing to execute the agreement as hereinafter provided, the Bidder shall be deemed to have abandoned the contract and such an act shall amount to and be construed as the contractor's calculated and the willful breach of the contract, the cost and consequence of which shall be to the sole account of the Bidder and upon such an event the Board shall have full right to claim damages therefore either together with or in addition to the forfeiture of Earnest Money Deposit.

3.20.8 Bid Documents can be seen at Chief Engineer's Office during working hours on all days except on Sundays, second and fourth Saturdays and Public Holidays.

3.20.9 Bids which do not fulfill all or any of the above conditions or which contain any other condition of any sort not acceptable to the Employer including conditional offer or are incomplete in any respect is liable for rejection. Such Bids shall be entered in the Bid opening register but their offer shall neither be read out nor entered in the register. Only remark mentioning the reason of rejection in brief shall be appended against such entry.

3.20.10 Canvassing in connection with Bid is strictly prohibited and Bids submitted by the contractors who resort to canvassing will be liable to rejection.

3.20.11 Incomplete Bids or Bids not in the prescribed format and with corrections not attested, shall be liable for rejection.
3.20.12 Cochin Port will not take responsibility for any delay in receipt or non-receipt of the Bidding Document.

3.20.13 The Bidder shall, before submitting the tender, inspect the site of work and its surroundings and shall discuss with connected agencies and collect all necessary information on his own responsibility for the purpose of quoting for the work. All costs, charges, and expenses that may be incurred for the submission of the tender shall be borne by him and the Board accepts no liability whatsoever thereof. Bidder shall rely on his own judgement, skill and expertise in all matters connected with the tender and submission thereof.

3.20.14 The Bidder shall make their own arrangements for obtaining all licences, permits, etc., if any that may be required in connection with procurement of any accessories etc. to be used on the works. The Board shall give only recommendatory assistance for the same with no obligation therefor. Obtaining necessary licence and permits shall be the responsibility of the contractor. The Developer will not be entitled to any claim on the Board on the ground that the Board did not afford the recommendatory assistance.

3.20.15 Any error in description; any omissions there from shall not vitiate the contract or release the contractors from the execution of whole or any part of the works comprised therein according to drawing and specifications or from any of his obligations under the contract.

SIGNATURE OF THE BIDDER

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi / Kochi - 682 015

CHIEF ENGINEER
Cochin Port Trust
Cochin Port Trust
SECTION 4: GENERAL TERMS AND CONDITIONS OF CONTRACT

4.1 DEFINITIONS AND INTERPRETATION

The following words and expressions in this Bid Document shall have the meanings hereby assigned to them except where the context otherwise requires:

a) "Applicable Laws" means all laws in force and effect as of the date hereof and which may be promulgated or brought into force and effect hereinafter in India, including statutes, rules, regulations, directions, bye-laws, notifications, ordinances and judgments having force of law, or any final interpretation by a Court of Law having jurisdiction over the matter in question as may be in force and effect during the subsistence of this Agreement.

b) "Bidder/Tenderer" means the person or persons, firm, Corporation, Consortium or Company who submits a Bid/Tender for the subject project.

c) "Chief Engineer" means the Chief Engineer of Cochin Port Trust for the time being.

d) "Conditions Precedent" shall mean the conditions prescribed in SECTION 5 of this Bid Document.

e) "Construction Phase" means the period from the Date of Award of Project to the Date of Commercial Operation of the Project.

f) "Date of Agreement" means the date of signing of Agreement which shall be within one Month of the date of Letter of Acceptance (LOA) of the Bid.

g) "Date of Award of the Project" means the date when the Conditions Precedent have either been satisfied or waived by the Party other than the Party responsible for satisfying the same.

h) "Date of Commercial Operations" means the date of commencement of commercial operations at the International Ship Repair Facility by the Developer.
i) "Developer's Representative" means the person named by the Developer in the Contract or appointed from time to time by the Developer who acts on behalf of the Developer.

j) "Developer's Personnel" means the Developer's Representative and all personnel whom the Developer utilizes on Site, who may include the staff, labour other employees of the Developer and of each Sub-Contractor; and any other personnel assisting the Developer in the execution of the Project/Works.

k) "Employer's Personnel" means the Engineer in charge, the assistants and all other staff, labour and other employees of the Engineer and of the Employer and any other personnel notified to the Contractor by the Employer or the Engineer, as Employer's Personnel.

l) "Engineer/Officer-in-Charge" means Dy. Chief Engineer/ Superintending Engineer/ Executive Engineer in charge of this Project as nominated by Chief Engineer.

m) "Employer/ CoPT/ Port/ Cochin Port/ Board/ Port Trust" means Board of Trustees of Cochin Port, a body corporate established under Section 5 of the Major Port Trust Act, 1963, having its principal office at W/Island, Cochin-6, India and acting through its Chairman, Deputy Chairman or the Chief Engineer or any other officers, so nominated by the Board.

n) "INR" /"Rs." means Indian Rupees.

o) "Letter of Acceptance" means the letter of formal acceptance, signed by the Employer, of the Bid submitted by the Bidder, including any annexed documents.

p) "Lenders" means any Persons based in India or abroad providing Financial Assistance under the Financing Documents and includes a trustee for the holders of debentures/ or other debt instruments issued by the Developer to finance the Project.

q) "Party" means either the CoPT or the Developer as the context may require or admit and "Parties" means both CoPT and Developer.
r) **Project/Work** means the works to be executed by the Bidder as detailed in this Bid Document, for the development and operation of the International Ship Repair Facility at W/Island (ISRF).

s) **Project Contracts** means collectively this Agreement, the EPC Contract, O&M Contract and any other material contract (other than the Financing Documents or any commercial agreement with the users) entered into or may hereafter be entered into by the Developer in connection with the Project and Project facilities.

t) **Project Site** means the land and water area earmarked for the development of ISRF, as detailed in Appendix -I.

u) **Substitution Agreement** means the agreement substantially in the form set out at Annexure- XV, to be entered into between the Employer, the Developer and the Lenders.

v) **Person** means any individual, company, corporation, partnership, joint venture, trust, unincorporated organization, government or governmental authority or agency or any other legal entity.

w) **Successful Bidder / Developer** means the person/persons or firm or company/joint venture company or consortium of companies whose Bid is accepted by the Board and includes its authorized agents, successors and permitted agents.

x) **Transfer Date** means the date of expiry of the contract by efflux of time or the date of expiry of the termination period.

### 4.2 EARNEST MONEY DEPOSIT

4.2.1 Each Bid should be accompanied by an Earnest Money amounting to Rs. 8 Crores. The Earnest Money can be deposited through Demand Draft or Banker's Cheque from a Scheduled Bank, drawn in favour of Financial Adviser & Chief Accounts Officer, Cochin Port Trust. The Earnest Money deposited will not carry any interest.

4.2.2 EMD shall also be furnished through an irrevocable Bank Guarantee (BG) valid for a period of 180 days from the date of opening of tender, enforceable and encashable at Cochin, drawn from any Nationalised Bank/ Scheduled Bank operating in India, as per the proforma at Annexure - X. Even in this case, an amount of Rs. 1 Crore has to be furnished through Demand Draft or Banker's Cheque and only the...
balance Rs. 7 Crores shall be in Bank Guarantee. In case, BG is furnished for EMD, BG shall be verified independently by the Port with the Bank before finalisation of technical offers. In the event of lack of confirmation of issuance of the BG by the bank, the Bid shall stand disqualified.

4.2.3. The Earnest Money shall be placed in a separate sealed envelope in Cover-A1 marked "EARNEST MONEY" and shall be enclosed in Cover - A.

4.2.4. The Officer opening the tenders shall first open the envelope (Cover - A1) containing the Earnest Money.

4.2.5. In case the Earnest Money is not deposited or is not in order, the Covers A2 and B shall be returned to the Bidder unopened either on the spot, if the Bidder is present, or later by post. Only a mention to this effect shall be made in the bid opening register.

4.2.6. The EMD of the Bidder who have not been qualified or who have not been successful will be released within one month of technical qualification of Bidders or finalization of bidding as the case may be. The EMD of Successful Bidder will be released after submission of Performance Security.

4.3. PERFORMANCE SECURITY

4.3.1. Within twenty eight days of the Letter of Acceptance (LoA) from CoPT, or date of signing of Agreement, whichever is earlier, the successful Bidder shall furnish to the CoPT a Performance Security for satisfactory completion of the Project, in the form of a Bank Guarantee (BG) enforceable and encashable at Kochi, from a Nationalized/Scheduled Bank operating in India, for an amount of Rs. 39.25 crores (Rupees Thirty Nine Crores twenty five lakhs only) as per the proforma at Annexure-XI to the Bid Document.

4.3.2. Unless Performance Security is furnished within 28 days of date of the notification of the acceptance of the Bid (LOA) or such extension of that period as may be permitted by the Chief Engineer in writing, the Earnest Money will be liable to forfeiture and the contract to cancellation.

4.3.3. The Performance Security shall remain in force till successful completion of Contract Period.

4.3.4. The obtaining of such security and the cost of security shall be at the expense of the Bidder.
4.3.5 The Employer shall not make a claim under the Performance Security, except for amounts to which the Employer is entitled under the Contract in the event of:

(a) failure by the Developer to extend the validity of the Performance Security and/or keep the BG renewed as agreed till the completion of Contract Period.

(b) circumstances, which entitle the Employer to termination under Sub clause 4.24 (Termination of the Agreement) irrespective of whether notice of termination has been given.

4.3.6 The Employer shall indemnify and hold the Developer harmless against and from all damages, losses and expenses (including legal fees and expenses) resulting from a claim under the Performance Security to the extent to which the Employer was not entitled to make the claim. The Employer shall return the Performance Security to the Developer within 30 Days after the successful completion of the Contract Period.

4.3.7 No interest is payable by the Employer on the Performance Security amount.

4.3.8 The BG shall be forfeited in full or part as decided by the Chief Engineer, whose decision will be final and binding on the Developer, on failure of the Developer to perform or non-fulfillment of the terms and conditions of the Contract by the Developer.

4.3.9 If the BG for the period as at Clause 4.3.3 is not available in one stretch, BG can be submitted for one year or more as convenient to the Banks at first instance and same can be extended year to year subsequently. The BG shall be renewed 30 days prior to expiry each year. It is clarified that the Developer shall be liable to restore the Performance Security to the full amount in case of part encashment of the same by the Employer. This shall be done within 30 days of any such part encashment. The time schedule for submission Performance Security shall be strictly adhered to.

4.4—AWARD OF BID

The Successful Bidder shall be issued a work order (Letter of Acceptance—LoA) by CoPIT either by facsimile or email, which will be subsequently confirmed by Registered Post. The Bidder whose Bid is accepted shall convey his acknowledgement of receipt of the LoA within 7 (Seven) days of its receipt. This LoA along with written acknowledgment of the
Successful Bidder shall constitute a contract between the Bidder and Cochin Port, till the signing of the formal agreement.

4.5. CONTRACT AGREEMENT

4.5.1 The Successful Bidder will be required to execute an agreement at his expense on proper value Kerala State Stamp Paper in the prescribed departmental form as per 'Annexure - XII consisting of the Tender Notice, all the documents including additional conditions/specifications and drawings, if any, forming the Bid as issued at the time of invitation of Bid and acceptance thereof together with any correspondence leading thereto.

4.5.2 The Successful Bidder has to execute the agreement within one month from the date of intimation of acceptance of the Bid (Letter of Acceptance LoA).

4.6. COMMISSIONING OF THE FACILITY

The International Ship Repair Facility shall be commissioned as stipulated in Appendix-2: Project Requirements, to this Bid Document.

4.7. CONTRACT PERIOD

The Contract Period shall be 30 (thirty) years commencing from the Date of Award of Project during which the Developer is authorized and obliged to implement the Project and to provide services in accordance with the provisions hereof.

Provided that:

a) in the event of the Contract Period being extended by the CoPT beyond the said period of 30 (thirty) years in accordance with the provisions of this Agreement, the Contract Period shall include the period by which the Contract Period is so extended; and

b) in the event of an early determination / termination of the Contract / this Agreement by either Party in accordance with the provisions hereof, the Contract Period shall mean and be limited to the period commencing from the Date of Award of the Project and ending with the date of determination / termination of the Contract / this Agreement.
4.8. TAXES AND DUTIES

The Bidder shall pay all taxes, levy, duty which they may be liable to pay to State of Kerala & Government of India or other authorities under any law for the time being in force in respect of or in accordance with the execution of Work. The Developer shall further be liable to pay such increase in the taxes, levy, duty etc., under the existing law or which may be liable as a result of introduction of any law. Increase in taxes, levy, duty etc. or imposition of new taxes, levy, duty etc., shall not be a ground or an excuse for not completing the Work within the stipulated time or a ground or an excuse for claiming any extra or additional costs nor a ground or an excuse for extension of time for completing the Work.

4.9. INSURANCE TO BE TAKEN BY THE DEVELOPER

The Developer: (i) shall take out and maintain, and shall cause to take out maintain, at their own cost, insurance against the risks, and for the coverage, as mentioned below, and (ii) at the Employer's request, shall provide evidence to the Employer showing that such insurance has been paid. The risks and the coverages shall be as follows:

(i) Insurance against Injury to Persons and Damage to Property;

(ii) Insurance for Facilities Provided, Plants and Materials and Port's/Developer's Assets;

(iii) Insurance for Bidder's Personnel; and

(iv) Workers’ Compensation Insurance in respect of the Personnel of the Developer in accordance with the relevant provisions of the Applicable Law, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate.

4.10. SAFETY MEASURES

4.10.1 The Developer shall be liable for payment of all claims of damages, compensation or expenses payable as a result of any accident or injury or death sustained by workmen employed or used by him in the execution of this contract. The expenses if any, incurred by CoPT on the above will be recovered from the Developer from any amount that
may be due from CoPT to the Developer. If any accident or injury or death is sustained by any worker, the Developer should immediately take necessary action for providing medical aid at his own cost and inform the concerned and the authorities of Kochi City Police about the accident in writing giving full particulars of accident and the details of the workmen involved including their name, age and company.

4.10.2 The Developer shall:

(a) comply with all applicable safety regulations,
(b) take care for the safety of all persons entitled to be on the Site,
(c) use reasonable efforts to keep the Site and Works clear of unnecessary obstruction so as to avoid danger to these persons.

4.11 CO-OPERATION

The Developer shall, as specified in the Contract or as instructed by the Engineer-in-Charge, allow appropriate opportunities for carrying out work to:

(a) the Employer's Personnel,
(b) any other Contractors employed by the Employer; and
(c) the personnel of any legally constituted public authorities, who may be employed in the execution on or near the Site of any work not included in the Contract.

4.12 SUB-CONTRACTS

The Developer can subcontract whole or any part of the work to any other party only with the prior written permission of the Employer. In the event of any part of work being subcontracted to any agency with the permission of the Employer, the same shall be subject to the various provisions of this contract and shall not relieve the Developer from their responsibility to the Employer for any deed or acts performed by such agency and the Developer shall be responsible to the Employer for all deeds and acts of their sub agency.

4.13 SUB-LEASING

a) The Lessor/Developer shall not assign, transfer or underlet the demised land or the building(s)/structure(s) erected or to be erected thereon or any part thereof without the consent in writing of the Lessor/Employer. Upon assignment, transfer or sub-lease
of the land demised or any part thereof or of the building to be erected thereon or any part thereof with the consent of the Lessor/Employer in writing and at any rate within one month of the date of such assignment, transfer or sublease, the Lessee/Developer shall deliver a notice of such assignment, transfer or sub-lease to the Lessor/Employer setting forth the names and descriptions of the parties thereto and particulars and effect thereof.

b) The Lessee/Developer shall be liable to pay such charges, fees or levy as are prescribed from time to time on account of such assignment, transfer or sub-lease as the case may be, as detailed in the format of the Lease Deed to be executed by the Parties, given at Annexure - XIII.

4.14 COMMENCEMENT OF WORK, TIME FOR COMPLETION, EXTENSION OF TIME FOR COMPLETION, COMPENSATION FOR DELAY DUE TO DEVELOPER’S NEGLIGENCE

4.14.1 The date of commencement of work shall be after the Date of Award of the Project. No work shall be commenced before signing of the Agreement.

4.14.2 The Developer shall complete the construction as per the schedule specified in Appendix-2: Project Requirements.

4.14.3 If the works are however delayed by:

(a) exceptionally adverse climatic conditions;
(b) unforeseeable shortages in the availability of personnel or Goods caused by epidemic or governmental actions, or any delay, impediment or prevention caused by or attributable to the Employer or the Employer's Personnel;

then upon the happening of any such event causing delay, the Developer shall immediately give notice thereof in writing to the Employer indicating the period for which extension is desired and the Employer at its sole discretion may suitably extend the time for completion of the Works for such period as may be decided by the Employer, whose decision in this regard shall be final.

4.14.4 In the event of the Developer failing to comply with the completion period or such extended period as stated above, liquidated damages
shall be paid by the Developer as per Clause 4.18 [Liquidated Damages]. The Developer agrees and accepts that such Liquidated Damages has been fixed considering the nature of the contract and the difficulty to ascertain the actual quantum of loss suffered by the Employer and shall therefore not question the quantum of Liquidated Damages in any manner whatsoever.

4.15. SUSPENSION OF WORK

4.15.1 The Employer may by written notice require the Developer to suspend forthwith the whole or any part of the construction works, if:

(a) in the reasonable opinion of the Employer such work is not in accordance with the Construction Standards / Safety Standards;
(b) any other condition which makes it unable for either party by reason of “Force Majeure” as referred to in Clause 4.16 to successfully carry out the Construction Works or to accomplish the purpose of the contract.

4.15.2 The Developer shall suspend the Construction Works or any part thereof for such time and in such manner as may be specified by the Employer.

4.15.3 If such suspension is on account of any defect in work notified by the Employer under 4.15.1(a) above, the Developer shall immediately represent to the Employer, the remedial measures to remedy the defects notified. The Employer shall then decide whether or not the suspension of work may be revoked.

4.15.4 Any dispute as regards the suspension of works or the remedial measures proposed, if cannot be resolved within 30 (thirty) Days of the suspension or proposal of the remedial measures, it shall be submitted for dispute resolution in accordance with Clause 4.17 hereof.

4.16. FORCE MAJEURE

4.16.1 Force Majeure Event

As used in this Agreement, Force Majeure Event means an exceptional event or circumstance which:

(a) is beyond the control of the Party claiming to be affected thereby (the “Affected Party”)
(b) Prevents the Affected Party from performing or discharging its obligations under this Agreement; and
(c) the Affected Party has been unable to overcome or prevent despite exercise of due care and diligence Force Majeure may include, any of the following events which prevent the Affected Party from performing any of its obligations for a continuous period of not less than 7 (seven) days from the date of its occurrence:

(i) Act of God, epidemics, extremely adverse weather conditions, lightning, earthquake, cyclone, flood and fire
(ii) Strikes or boycotts (other than those involving the Developer or their employees/ representatives), labour disruptions or any other industrial disturbances not arising on account of the acts or omissions of the Developer
(iii) An act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, riot, insurrection, terrorist or military action
(iv) Industry wide or state wide strikes or industrial action
(v) Any event or circumstance of a nature analogous to any of the foregoing.

4.16.2 Notice of Force Majeure Event

(a) The Affected Party shall give written notice to the other Party in writing of the occurrence of any of the Force Majeure Event supported by documentary proof ("Notice") as soon as the same arises or as soon as reasonably practicable and in any event within 7 (Seven) days after the Affected Party knew, or ought reasonably to have known, of its occurrence and the adverse effect it has or is likely to have on the performance of its obligation under this Agreement.

(b) So long as Affected Party continues to claim to be affected by a Force Majeure Event, it shall provide the other Party with periodic (Fortnightly /Monthly) written reports and such other information as the other Party may reasonably request.

4.16.3 Period of Force Majeure

Period of Force Majeure shall mean the period from the time of occurrence specified in the notice given by the Affected Party in respect of the Force Majeure Event until the earlier of:

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi, 682 015

N V Sudesh Babu
General Manager
Cochin Shipyard Limited
Kochi, 682 015

CHIEF ENGINEER
Cochin Port Trust

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(a) Expiry of the period during which the Affected Party is excused from performance of its obligations in accordance with Clause 4.16.5

(b) Termination of this Agreement pursuant to Clause 4.16.7 hereof.

4.16.4 Resumption of Performance

During the period of Force Majeure, the Affected Party shall in consultation with the other Party, make all reasonable efforts to limit or mitigate the effects of the Force Majeure Event on the performance of its obligations under this Agreement. The Affected Party shall also make efforts to resume performance of its obligations under this Agreement as soon as possible and upon resumption shall notify the other Party of the same in writing. The other Party shall afford all reasonable assistance to the Affected Party in this regard.

4.16.5 Performance Excused

The Affected Party, to the extent rendered unable to perform its obligations or part thereof under this Agreement as a consequence of the Force Majeure Event shall be excused from performance of the obligations. Provided that, the excuse from performance shall be of no greater scope and of no longer duration than is reasonably warranted by the Force Majeure Event. Provided further, nothing contained herein shall absolve the Affected Party from any payment obligations accrued prior to the occurrence of the underlying Force Majeure Event.

4.16.6 Costs

Each Party shall bear its costs, if any, incurred as a consequence of the Force Majeure Event.

4.16.7 Termination due to Force Majeure Event

If the period of Force Majeure continues or is in the reasonable judgment of the Parties likely to continue beyond a period of 120 (one hundred and twenty) days, the Parties may mutually decide to terminate this Agreement or continue the Agreement on mutually agreed revised terms. If the Parties are unable to reach an agreement in this regard, the Affected Party shall after the expiry of the said period of 120 (one hundred and twenty) days be entitled to terminate the Agreement in which event, the provision of Clause 4.24 and 4.25 shall, to the extent expressly made applicable, apply.
4.17.  DISPUTE BETWEEN THE DEVELOPER AND COCHIN PORT

4.17.1 Amicable Settlement

If any dispute or difference or claims of any kind arises between the Employer and the Developer in connection with construction, interpretation or application of any terms and conditions or any matter or thing in any way connected with or in connection with or arising out of this Agreement, or the rights, duties or liabilities of any Party under this Agreement, whether before or after the termination of this Agreement, then the Parties shall meet together promptly, at the request of any Party, in an effort to resolve such dispute, difference or claim by discussion between them.

4.17.2 Assistance of Expert

The parties may, in appropriate cases agree to refer the matter to an Expert appointed by them with mutual consent. The parties may agree to abide by the decision/opinion of the Expert, subject to Clause 4.17.3. The cost of obtaining the services of the Expert shall be shared equally.

4.17.3 Arbitration

(a) Arbitrators

Failing amicable settlement and/or settlement with the assistance of Expert appointed by the Parties by mutual consent, the dispute or differences or claims as the case may be, shall be finally settled by binding arbitration under the Arbitration and Conciliation Act, 1996. Unless the Parties mutually agree otherwise, within 30 (thirty) Days of invocation of arbitration as mentioned below, the rules of arbitration prescribed by the International centre for Alternative Dispute Resolution, New Delhi shall apply to the arbitration. The arbitration shall be by a panel of three Arbitrators, one to be appointed by each Party and the third, who shall act as presiding Arbitrator, to be appointed by the two arbitrators appointed by the Parties. The arbitration shall be invoked by one party issuing to the other a notice in writing invoking the arbitration and appointing an Arbitrator. Upon receipt of the notice, the other Party shall appoint the second Arbitrator. The two Arbitrators so appointed shall appoint the third

(Handwritten signatures and stamps attached)
Arbitrator who shall act as the 'Presiding Arbitrator'. If the other Party fails to appoint its Arbitrator within 30 (thirty) Days from the receipt of the request to do so, then the Arbitrator so appointed by the first party shall adjudicate the disputes as 'Sole Arbitrator'.

(b) Place of Arbitration

The place of arbitration shall be at Kochi.

(c) English Language

The request for arbitration, the answer to the request, the terms of reference, any written submissions, any orders and rulings shall be in English and, if oral hearing take place, English shall be the language to be used in the hearings.

(d) Procedure

The procedure to be followed within the arbitration, including appointment of arbitrator/arbitral tribunal and the rules of evidence which are to apply shall be in accordance with the Arbitration and Conciliation Act, 1996.

(e) Enforcement of Award

Any decision or award resulting from arbitration shall be final and binding upon the Parties. The Parties hereto agree that the arbitral award may be enforced against the Parties to the arbitration proceedings or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof.

(f) Fees and Expenses

The fees and expenses of the arbitrator and all other expenses of the arbitration shall be initially borne and paid equally by respective Parties subject to determination by the arbitrators. The arbitrators may provide in the arbitral award for the reimbursement to the successful party of its costs and expenses in bringing or defending the arbitration claim, including legal fees and expenses incurred by the Party.

(g) Performance during Arbitration

[Signatures and headings of officials]
Pending the submission of and/or decision on a dispute, difference or claim or until the arbitral award is published, the Parties shall continue to perform all of their obligations under this Agreement without prejudice to a final adjustment in accordance with such award.

4.18. LIQUIDATED DAMAGES

The Developer shall be liable to pay to the Employer for Non-commissioning of the facilities as envisaged in Appendix 2: Project Requirements within the stipulated time:

For Phase 1: INR 11 Crores (Rupees Eleven Crores only) per Month of delay and pro-rata thereof subject to a maximum of INR 55 crores;

For Phase 2: INR 2.6 Crores (Rupees Two Crores and Sixty Lakh only) per Month of delay and pro-rata thereof subject to a maximum of INR 13 crores; and

For Phase 3: INR 2 Crores (Rupees Two Crores only) per Month of delay and pro-rata thereof subject to a maximum of INR 10 crores.

4.19. RISK AND RESPONSIBILITY

Indemnities:

The Contractor shall indemnify and hold harmless the Employer, the Employer’s Personnel, and their respective agents, against and from all claims, damages, losses and expenses (including legal fees and expenses) in respect of:

(a) bodily injury, sickness, disease or death, of any person whatsoever arising out of or in the course of or by reason of the Contractor’s design (if any), the execution, completion and maintenance of the Works and the remedying of any defects, unless attributable to any negligence, willful act or breach of the Contract by the Employer, the Employer’s Personnel, or any of their respective agents;

(b) damage to or loss of any property, real or personal; and

(c) any loss or damage arising to the Employer by reason of breach of any of the conditions of this Agreement by the Developer.

N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015
4.20. OWNERSHIP OF ASSETS

4.20.1 Land and Water Area (Project Site)

The ownership of the Project Site shall always remain vested with the Employer. The rights of the Developer in the Project Site shall be that of a bare Lessee of such assets, and the Developer shall neither assign, transfer, create any charge or Encumbrance, nor shall the Developer create or permit creation of any third party rights whatsoever, on whole or any part of the Project Site. Further, any such rights of the Developer shall always be subject to existing rights of way. It is expressly agreed that the Developer’s rights in the Project Site shall cease without any action from the Employer upon the termination of this Agreement for any reason whatsoever.

4.20.2 Port’s Assets other than Project Site

The ownership of the Port’s Assets other than Project Site, transferred to the Successful Bidder/Developer by CoPT upon receiving the Upfront Payment as per Clause 4.21.1, shall remain vested with the Successful Bidder/Developer. The Developer will have the liberty to utilize/modify/alter/dispose of these assets according to will and pleasure, until expiry of this Agreement or transfer to the Employer on Termination in accordance with this Agreement.

4.20.3 Assets created or provided by the Developer

The ownership of all infrastructure assets, buildings or structures and other immovable and movable assets constructed, installed, located, created or provided by the Developer at the Project Site and/or in the Port’s Assets pursuant to this Agreement (‘Developer Assets’) shall be with the Developer until the expiry of this Agreement or transfer to the Employer on Termination in accordance with this Agreement. However, such ownership of buildings etc. erected by the Developer at the Project Site shall not confer upon the Developer any rights in the Project Site or other Port’s Assets as the Developer is only a bare Lessee as provided in this Agreement.
4.21. PAYMENTS TO COCHIN PORT

4.21.1 Upfront Payment

In consideration of the Port’s Assets listed in Appendix-1, other than Project Site, which are to be transferred to the Successful Bidder/Developer, the Successful Bidder/Developer shall pay to the Employer, an amount of INR 12.92 Crores (Rupees Twelve Crore Ninety Two Lakhs only), within 28 Days from the date of LOA or date of signing of Agreement, whichever is earlier.

4.21.2 Upfront Fee

The Successful Bidder/Developer shall pay to the Employer, an Upfront Fee as specified in the Sl. No.1 of Price Bid in Annexure-VIII, within 28 Days from the date of LOA or date of signing of Agreement, whichever is earlier.

4.21.3 Lease Rent

(a) The Developer shall in consideration of the use of the Project Site, shall pay to the Employer the Annual Lease Rent (ALR) as per the prevailing Scale of Rates (SOR) with uniform escalation of 2% every year, till the end of Lease/Contract Period of 30 years. Such amount shall be paid by the Developer in two half yearly installments, one on or before the 30th day of September and the other, on the 31st day of March every year for the period April to September and October to March respectively and proportionately if the period in question is not a full half-year. Taxes at the applicable rate shall be paid by the Developer.

(b) In case the Developer reclaims water bodies as per the Design Requirements of the Project as they have conceived, the rate prevailing for land area shall be applicable for payment of ALR for the area reclaimed.

(c) Any delay in payment of the Lease Rent and taxes thereof shall entail payment of interest at rates prescribed in the Scale of Rates prevailing from time to time per annum on the amount outstanding.
4.21.4 Payments of Guaranteed Amount (GA)(a) The Developer shall pay to the Employer, the Guaranteed Amounts (GA) which he has undertaken to pay per annum, as specified in the Sl. No.2 of Price Bid in Annexure-VIII, till the expiry of the Contract Period.

(b) GA shall be paid in equal quarterly instalments, i.e. on the 30th day of June, 30th day of September, 31st day of December and 31st day of March every year for the period April to June, July to September, October to December and December to March respectively and proportionately, if the period in question is not a quarter-year.

(c) Guaranteed Amounts remaining unpaid on respective due dates would carry interest @ SBI Advance Rate plus 2% (two percent) per annum from the due date till the date of payment or realization thereof.

4.21.5 Utilities or Services

The Developer shall also pay rent or other charges for any premises or additional utilities or services like water, power etc. made available by the Employer to the Developer, in accordance with the terms, conditions and covenants including on payment of tariffs specified by the Employer.

4.21.6 Payment of Port Dues and Pilotage

The Vessel Related Charges viz., Port Dues and Pilotage as per the prevailing Scale of Rates (SOR) in respect of vessels calling at the ISRF for repairs shall accrue to CoPT. The Developer/Operator or its authorised agent or the agent of the vessel, as the case may be, shall pay to the Employer: (a) Port Dues; and (b) Pilotage Charges as per the prevailing Scale of Rates (SOR), based on agreed scope of services to be provided for the vessels calling at the ISRF for repairs.

4.22 REPORTS TO BE FURNISHED

The Bidder shall furnish monthly progress reports during the construction period and quarterly reports during the operation period, of all phases.
4.23 EVENTS OF DEFAULT CAUSING TERMINATION OF CONTRACT

4.23.1 Events of Default by the Developer:

If any of the following events shall have happened and be continuing, then Cochin Port Trust may, by written notice to the Developer, terminate the contract:

i) the Developer's failure to perform or discharge any of its obligations in accordance with the provisions of this Agreement;

ii) construction at the Project Site is abandoned for more than 90 (ninety) Days during the Construction Phase;

iii) delay in completion of construction activities and commissioning of the facility within the specified period or such period extended by the Employer on eligible grounds.

iv) delay in making the payments due to the Employer for 2 (two) consecutive installments.

v) any representation made or warranties given by the Developer under this Agreement is found to be false or misleading;

vi) the Developer passing a resolution for voluntary winding up;

vii) levy of an execution or restraint on the Developer's assets which has or is likely to affect the Project Facilities and Services materially and such execution or restraint remaining in force for a period exceeding 90 (ninety) days

viii) the Performance Security is not maintained in terms of the provision hereof;

ix) the Developer abandons or express its intention to revoke/terminate this Agreement without being entitled to do as is expressly provided in the Agreement;

x) amalgamation of the Developer with any other company or reconstruction or transfer of the whole or part of the Developer's undertaking [other than transfer of assets in the ordinary course of business].

xi) the Developer engaging or knowingly allowing any of its employees, agents, Contractor or representative to engage in any activity prohibited under this Agreement and/or by law or which constitutes a breach of the Agreement or breach of or an offence under any law, in the course of any activity undertaken pursuant to this Agreement.

4.23.2 Events of Default by Employer

The Employer's failure to perform or discharge its obligations in accordance with the provisions of this Agreement unless such failure
has occurred as a consequence of any Developer Event of Default or a Force Majeure Event.

4.23.3 Parties Rights

(a) Upon the occurrence of the Developer Event of Default, the Employer shall without prejudice to any other rights and remedies available to it under this Agreement be entitled to terminate this Agreement.

(b) Upon the occurrence of the Employer Event of Default, the Developer shall without prejudice to any other rights and remedies available to it under this Agreement be entitled to terminate this Agreement.

Provided that before proceeding to terminate this Agreement, the Party entitled to do so shall give due consideration and due regard to the nature of the underlying Event of Default, its implication on the performance of the respective obligation of Parties under this Agreement and the circumstances in which the same has occurred.

4.24. TERMINATION OF THE AGREEMENT

4.24.1 Termination Procedure

The party entitled to terminate this Agreement either on account of a Force Majeure Event or on account of an Event of Default shall do so by issue of a notice in writing ("Termination Notice") to the other Party. The Termination Notice shall be of not more than 60 (sixty) Days, ("Termination Period") and if the Event of Default is of such a nature as cannot be rectified within the said period, then at the expiry of the Termination Period, this Agreement shall stand terminated without any further notice. If however the Event of Default can be rectified to the satisfaction of the Notifying party then the ‘Termination Notice’ shall stand withdrawn.

4.24.2 Obligations During Termination Period

During Termination Period, the parties shall subject continue to perform such of their respective obligations under this Agreement which are capable of being performed with the object, as far as possible, of the Project Facilities and Services to the users, failing which the Party in breach shall compensate the other Party for any
loss or damage occasioned or suffered on account of the underlying failure/breach.

4.24.3. Condition Survey

(a) The Developer agrees that on the service of a Termination Notice or at least 6(six) months prior to the expiry of the Contract Period, as the case may be, it shall conduct or cause to be conducted under the Employer’s supervision, a condition survey of the Project including the Project Site and/or the Port’s Assets to ascertain the condition thereof, verifying compliance with the Developer’s obligations under this Agreement and to prepare an inventory of the assets comprised in the Project. During this period, the designated key personnel of the Employer shall be associated with the operations of the Project (except when the same is impossible due to a Force Majeure Event) in order to facilitate smooth takeover of the same by the Employer on the Transfer Date.

(b) If, as a result of the condition survey, the Employer shall observe/notice that the Project Site and/or the Port’s Assets and/or the Project Facilities and Services or any part thereof have not been operated and maintained in accordance with the requirements therefore under this Agreement (normal wear and tear expected) the Developer shall, at its cost and expenses, take all necessary steps to put the same in good working conditions well before the Transfer Date.

(c) In the event the Developer fails to comply with the provisions of this Clause, the Employer may itself cause the condition survey and inventory of Port’s Assets and the Project Facilities and Services to be conducted. The Employer shall be compensated by the Developer for any costs incurred in conducting such survey and preparation of inventory as also in putting the Project Facilities and Services in good working condition and the Quantum of cost as intimated by the Employer shall be final and binding on the Developer.

4.24.4. Consequences Of Termination

Without prejudice to any other consequences or requirements under this Agreement or under any law:

(a) the Developer shall transfer all Developer Assets and rights therein to the Employer and the Employer shall take over the Project Site, Port Assets, Project Facilities and Services from the Developer.
upon expiry of the contract period by efflux of time or termination of the Agreement for whatever reason;

(b) the Employer shall be entitled to encash any subsisting bank guarantee(s) provided by the Developer against any amounts owing to the Employer by the Developer.

Notwithstanding anything contained in this Agreement, the Employer shall not, as a consequence of termination or otherwise, have any obligation whatsoever to any third party including but not limited to obligations as to compensation for loss of employment, continuance or regularization of employment, absorption or re-employment on any ground, in relation to any person in the employment of or engaged by the Developer in connection with the Project, and the hand-back of the Project Site/Port Assets/ Project Facilities and Services by the Developer to the Employer shall be free from any such obligation.

4.25. COMPENSATION FOR TRANSFER OF DEVELOPER ASSETS

4.25.1 Compensation on termination

4.25.1.1 Termination due to Force Majeure Event

If termination is due to Force Majeure, the Employer shall not be liable/responsible to pay any compensation to the Developer for the transfer of Developer Assets. The Developer is responsible to take appropriate insurance to take care of all such cost and losses expected to be suffered by him including direct or indirect losses for Developer's Assets which includes plants, facilities provided in Project Site and all other losses for ancillary structures.

4.25.1.2 Termination due to Developer Event of Default

If the termination is after the date of commissioning of the facility and due to a Developer Event of Default, the compensation payable by the Employer to the Developer for the transfer of Developer Assets shall be the lowest of:

(i) the Book Value;
(ii) 90% (ninety percent) of Debt Due;
(iii) the Actual Project Cost;

Provided, no compensation shall be payable to the Developer if the Developer fails to maintain Insurance Cover.
In the Event of Termination of Contract due to Developer Event of Default, the Developer shall be liable to compensate the Employer for all losses, damages and cost suffered by the Employer by reason of such termination.

4.25.1.3 Termination due to Employer Event of Default

If the termination is due to an Employer Event of Default, the compensation payable by the Employer to the Developer shall be equal to the aggregate of: (i) Debt Due plus (ii) 150% (One hundred and fifty percent) Equity.

4.25.2 No Compensation on Expiry of Contract Period

In the event of expiry of Contract by efflux of time (the Contract having run its full course), the Developer shall hand over/transfer peaceful possession of the Project Site, Port’s Assets, the Project Facilities and Services and Developer Assets, free of cost and without any Encumbrance and no compensation shall be payable by the Employer for the Developer Assets.

4.25.3 Transfer Fee and Charges

Transfer costs, stamp duties, notary fees and taxes, if applicable, for the transfer of the Project Facilities and Services consequent to the expiry or termination of this Agreement shall be borne by:

(a) the Developer in the event of expiry of Contract Period or termination due to a Developer Event of Default;
(b) the Employer in the event of termination due to an Employer Event of Default; and
(c) by both parties equally in case of termination due to Force Majeure Event.

4.25.4 Delayed Payment of Compensation

If for any reasons, other than those attributable to the Developer, the Employer fails to pay the compensation on the Transfer Date, the Employer shall be liable to pay interest at rates prescribed in the Scale of Rates prevailing from time to time per annum thereon from the Transfer Date till payment thereof. Provided, nothing contained in this
Clause shall be deemed to authorise any delay in payment of compensation in accordance with this Agreement.

4.25.5 Other than as stated in Clause 4.25, the Employer shall not be liable to the Developer for any compensation or other amount whatsoever consequent to the termination of the Contract.

4.26. TRANSFER ON EXPIRY OF THE CONTRACT PERIOD OR TERMINATION

4.26.1 General Scope of Transfer/Payment

The Parties shall perform/discharge their respective obligation to be performed or discharged under the provisions of this Agreement until the Transfer Date. Without prejudice to the generality of this provision and provisions of Clause 4.24 (Termination of Agreement), the transactions and formalities to be completed by the Parties on the Transfer Date shall be as set out in Sub Clauses 4.26.2 and 4.26.3.

4.26.2 Developer’s Obligations

The Developer shall:

(a) hand over peaceful possession of the Project Site, Port’s Assets and the Project Facilities and Services free of cost and without any Encumbrance;

(b) transfer all its rights, titles and interests in the Developer Assets comprised in the Project Facilities and Services which are required to be transferred to the Employer in accordance with this Agreement and execute such deeds and documents as may be necessary for the purpose and complete all legal or other formalities required in this regard;

(c) hand over to the Employer all documents including as built drawings, manuals and records relating to operation and maintenance of the Project Facilities and Services;

(d) transfer technology and up-to-date know-how relating to operation and maintenance of the Developer’s assets and/or the Project Facilities and Services;

(e) transfer or cause to be transferred to the Employer any Project Contracts which are: (i) valid and subsisting; (ii) capable of being transferred to the Employer; and (iii) those the Employer has chosen to take over, and cancel or cause to be cancelled such Project Contracts not transferred to the Employer. For this
purpose, the Developer shall ensure that all the Project Contracts are assignable in favour of the Employer without any further action on part of the respective counterparties. The Developer shall entirely at its cost, terminate all such Project Contracts which are not transferred/assigned and/or are not required to be transferred/assigned to the Employer.

(f) at its cost, transfer to the Employer all such Applicable Permits such as clearances, licenses, approvals etc., which the Employer may require, and which can be legally transferred. Provided if the termination is on account of Employer Event of Default the cost of such transfer shall be borne/reimbursed by the Employer;

(g) at its cost, remove within 90 (ninety) days from expiry of the Contract Period, from the Project Site/Port's Assets, any movable assets that are not taken over by or not to be transferred to the Employer in terms of the provisions of this Agreement.

4.26.3 Employer's Obligations

Except in the event of expiry of the Contract by efflux of time, the Employer shall pay compensation payable to the Developer in accordance with Clause 4.25 of this Agreement. The Developer confirms that upon such payment being made, the Employer shall stand duly discharged of its obligations regarding payment of compensation to the Developer under this Agreement.

4.26.4 Risk

Until transfer in accordance with this clause, the Port’s Assets and Project Facilities and Services shall remain at the sole risk of the Developer except for any loss or damage caused to or suffered by the Developer due to any act or omission or negligence on the part of the Employer under this Agreement.

4.27. Employment of Personnel

The Developer shall employ qualified and skilled personnel required to operate the Project facilities. The terms of employment may be as deemed fit by the Developer and the Developer shall comply with all Applicable Laws and bear all costs in this regard. Without prejudice to the generality of this provision, all requisite approvals for employment of personnel of foreign origin or nationality shall be obtained by the Developer prior to engaging such personnel. Failure to obtain approval will not amount to a Force Majeure Event. All employees shall always remain the Developer's responsibility. Further, the Developer shall
comply with the requirements of employing the existing personnel/ labour as agreed to and set out in Appendix-3. All labour law compliances shall be the responsibility of the Developer.

All such Staff and Labour employed by the Developer shall be considered to be employees of the Developer at all times. There will be no statutory or other obligation whatsoever upon the Employer with respect to such employees of the Developer and the Employer shall have no obligation to take into its service any such employee at any time whatsoever.

4.28: SUBSTITUTION AGREEMENT

The Substitution Agreement envisaged by Annexure XV hereunder, will/may be executed within 30 (thirty) Days of notice by the Developer to the Employer of the Lenders’ readiness to execute the same.

4.29 SECURITY ARRANGEMENTS

The Developer may make his own arrangements for security in the Project Site/Port Assets and with respect to the Project, provided the Developer shall abide by the security regulations/procedures prescribed by the Employer or a Government Authority from time to time. It shall also conform to and assist the Employer or any authority responsible therefor in conforming to the International Ship and Port facility Security Code (“ISPS Code”) and such other codes/requirements of International Maritime Organization as maybe applicable to India from time to time.

4.30 ASSIGNABILITY

Except as otherwise provided in this Bid Document, the Developer shall not assign its rights, title or interest in the Project Agreement in favour of any Persons without prior written consent of the Employer. Provided the Developer may assign its rights, interests and benefits under this Agreement to the Lenders as security for the Financial Assistance. Provided further nothing contained in this Clause shall:

i. absolve the Developer from its responsibilities to perform/discharge any of its obligations under and in accordance with the provisions of the Project Agreement; and

ii. authorize or be deemed to authorize the Lenders to operate the Project Facilities themselves and any such assignment to operate shall be in terms of the Substitution Agreement.
4.31 ENGAGEMENT OF CONTRACTORS*

(*This may be added in cases where the project has been awarded on the strength of the management contractor).

The Developer shall engage the Management Contractor and execute the Management Contract, thereby entrusting the Management Contractor with the responsibilities of operating and managing the Project facilities. A copy of the Management Contract shall be provided to the Employer and the same shall not be amended, substituted or revoked without the prior written consent of the Employer. The Developer may engage any Person possessing the requisite skill, expertise and capability for designing, engineering, procurement and construction of civil/mechanical/electrical engineering structures/equipment, and/or operation and maintenance of the Project facilities. Provided:

i. the Developer shall at all times be solely responsible for all its obligations under the Project Agreement notwithstanding any such engagement and anything contained in any Project Contracts or any other agreement, and no default under any Project Contract or agreement shall excuse the Developer from its obligations or liability hereunder and the Developer shall at all times be solely responsible for non-performance or for any defect, deficiency or delay in the construction and erection and/or installation of the structures/equipment or any part thereof and for the operation and maintenance of the Project/the Project facilities in accordance with the provisions of the Project Agreement;

ii. the Developer should have obtained requisite security clearance for the Contractor the Developer intends to engage;

iii. the Developer shall ensure that the Project Contracts contain provisions that entitle the Employer to step into such contract in its sole discretion in substitution of the Developer in the event of termination or suspension of this Agreement; and

iv. any contract that it enters with an Affiliate in respect of the Project shall be on an arms length basis.

4.32 AMENDMENTS, MODIFICATIONS OR ALTERATIONS

No amendments, modifications or alterations of or any additions to the terms and conditions of this Agreement shall be valid unless the same be in writing and agreed to by the Parties.
4.29. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Republic of India and the courts having territorial jurisdiction over the Project shall have jurisdiction over all matters relating to or arising out of this Agreement.

SIGNATURE OF BIDDER

[Signature]

N.V. Suresh Babu
General Manager
Kochi Shipyard Limited
Kochi - 682 015

[Signature]

V. Kala
Company Secretary
Kochi Shipyard Limited
Kochi - 682 015

[Signature]

CHIEF ENGINEER
COCHIN PORT TRUST
SECTION 5: CONDITIONS PRECEDENT

5.1. Conditions Precedent

The Award of the Project shall be subject to the satisfaction or waiver of the following conditions precedent (the "Conditions Precedent"):

a) The following Conditions Precedent shall be satisfied by the Successful Bidder / Developer:

(i) Submission of the Performance Security stipulated in Clause 4.3;

(ii) Remittance of the Upfront Payment stipulated in Clause 4.21.1 and the Upfront Fee stipulated in Clause 4.21.2;

(iii) Execution of the Lease Deed for the first stage allotment of land and water areas, as per the format given at Annexure – XIII;

(iv) Furnishing of copies (certified as true copies by a director of the Developer) of the constituent documents of the Developer;

(v) Furnishing of all resolutions adopted by the Board of Directors of the Developer (certified as true copies by a director of the Developer) authorizing the execution, delivery and performance by the Developer of each of the Transaction Documents (means collectively the Project Contracts and the Financing Documents);

(vi) Carrying out model studies and all other relevant studies required for the proposed facilities and furnishing the Detailed Project Report (DPR) for the Project;

(vii) Furnishing a copy of the Management Contract, if applicable;

(viii) Furnishing a certificate from its principal officer/director on the shareholding pattern of the Developer;

(ix) Furnishing its Financing Plan and Financing Documents for the Project and demonstrating Financial Close. Provided, Financial Close shall be deemed to be achieved if the only conditions pending for achieving Financial Close are those which are required to be fulfilled by the CoPT under Clause 5.1 (b) hereunder;

E N V G Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

V. Kala
Company Secretary
Cochin Shipyard Limited
Kochi, 682 015

J. K. K. Chinnan
Chief Engineer
Cochin Shipyard Limited
Kochi, 682 015

COCHIN PORT TRUST

N. V. Subramani
Assistant General Manager
Cochin Shipyard Limited
Kochi, 682 015

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(x) Procuring and furnishing the following confirmations, in original, from the Bidder/Developer/members of Consortium:

(a) it/they shall at all times comply with the provisions of sub clauses 6.4.1. to 6.4.3. in respect of their shareholding in the Developer;
(b) it/they has/have the financial standing and resources to fund / raise finances for undertaking and implementing the Project in accordance with this Bid Document;
(c) the Developer is/each of the member of the Consortium is duly organized and validly existing under the laws of the jurisdiction of its incorporation, and has requested the CoPT to enter into this Agreement with the Developer and has agreed to and unconditionally accepted the terms and conditions set forth in this Agreement;

(xii) Furnishing to the CoPT a legal opinion from the legal counsel of the Developer with respect to the authority of the Developer to enter into this Agreement and the enforceability hereof; and

(xii) Obtaining Applicable Permits as may be required for commencement of Construction Works as set out elsewhere in this Bid Document.

b) The following Conditions Precedent shall be satisfied by the CoPT:

Handing over physical possession of the following Ports’ Assets, subject to furnishing of Performance Security, Upfront Payment, Upfront Fee and execution of Lease Deed, as stipulated in Sub-Clauses 5.1 (a) (i) to 5.1 (a) (iii):

(a) 9.9 ha. of land area (comprising of the present Workshop Compound and area north of it) and 15.6 ha. of adjoining water area forming part of the Project Site detailed in Appendix-1, which are envisaged to be handed over to the Developer in the first stage; and/or
(b) the Port’s Assets other than the Project Site, which is envisaged to be transferred to the Developer for the purpose of the Project, as indicated in the Appendix -1 of this Bid Document.

The remaining 7.0 ha of land area on the south side of the Workshop Compound, comprised in the Project Site, is envisaged to be handed over to the Developer in the second stage after the expiry of two years from the Date of Award of the Project, subject to execution of Lease deed as per format at Annexure -XIII.
5.2 The aforesaid Conditions Precedent shall be complied with within 120 (One hundred and twenty) days of the date of the Agreement. Each Party shall promptly inform the other Party in writing when the Conditions Precedent for which it is responsible have been satisfied.

5.3 Any of the Conditions Precedent set forth in Clause 5.1(a) may be waived fully or partially by the CoPT at any time in its sole discretion or the CoPT may grant additional time for compliance with these conditions and the Developer shall be bound to ensure compliance within such additional time as may be specified by the CoPT. Any of the Conditions Precedent set forth in Clause 5.1(b) may be waived fully or partially by the Developer at any time in its sole discretion.

5.4 If the Developer has fulfilled all the Conditions Precedent under Clause 5.1(a) including the furnishing of the Bank Guarantee and has not waived or extended the time under Clause 5.3 above, and if the CoPT has failed to fulfill the Conditions Precedent to be fulfilled by it under Clause 5.1(b) (and which are within the power of the CoPT), the CoPT shall be liable to pay liquidated damages in a sum calculated at the rate of 0.1% (zero point one percent) of the Performance Guarantee for each day's delay until fulfillment of the Conditions Precedent subject to a maximum of 5% (five percent) of the figure mentioned in the Performance Guarantee furnished by the Developer. In such event, having regard to the quantum of damages, the time for the performance shall be deemed to have been extended by the number of days for which the liquidated damages is paid and if, after the extended period, the CoPT is still not in a position to comply with the Conditions Precedent, then the agreement shall be liable to be terminated as provided for in Clause 5.6 below.

5.5 If the CoPT has fulfilled all the Conditions Precedent under Clause 5.1(b) and has not waived or extended the time under Clause 5.3 above, and if the Developer has failed to fulfill the Conditions Precedent to be fulfilled by it under Clause 5.1(a) (and which are within the power of the Developer), the Developer shall be liable to pay liquidated damages in a sum calculated at the rate of 0.1% (zero point one percent) of the Performance Guarantee for each day's delay until fulfillment of the Conditions Precedent subject to a maximum of 5% (five percent) of the figure mentioned in the Performance Guarantee furnished by the Developer. In such event, having regard to the quantum of damages, the time for the performance shall be deemed to have been extended by the number of days for which the liquidated damages is paid and if, after the extended period the Developer is still not in a position to comply with the
Conditions Precedent, then the agreement shall be liable to be terminated as provided for in Clause 5.6 below;

5.6 In the event that the Conditions Precedents are not complied with within the time (including the extended time, if any) in terms of the aforesaid Clause 5.2 to 5.5, this Agreement shall be liable to be terminated. If such termination is on account of failure of the Developer to comply with the Conditions Precedent, the Bid Security shall stand forfeited. If such termination is on account of failure of the CoPT, the CoPT shall be obliged to return the Bid Security/Performance Security. It is clarified that except for the payment as stipulated in the foregoings Clauses 5.4 and 5.5, forfeiture in this Clause 5.6 and refund of the Upfront Payment and Upfront Fee cited in the foregoings Sub Clause 5.1 (a), (ii), each Party hereto shall have no claims against the other for costs, damages, compensation or otherwise.

SIGNATURE OF BIDDER:

N V Suresh Babu
General Manager
Cochin Shipyard Limited

V. KALA
Company Secretary
Cochin Shipyard Limited

CHIEF ENGINEER
Cochin Port Trust
SECTION 6: SPECIAL CONDITIONS OF CONTRACT

6.1. The Successful Bidder/Developer shall obtain all statutory clearances including Environmental Clearance as may be required as per law from the concerned agencies/departments, before execution / commissioning of the Project.

6.2. The Developer shall follow all safety norms as may be prescribed by the competent authority. Proper environmental/pollution control safeguards as per law must be incorporated in the design and implementation of the Project.

6.3. The Developer shall comply with the requirements of employing / utilising the services of CoPT’s existing personnel/labour, as set out in Appendix- 3.

6.4.1. The Bidder/Consortium shall cause the Developer to be incorporated as a special purpose company to implement, operate and maintain the Project in accordance with this Agreement. The shareholding pattern of the Developer/each member of the Consortium in the Developer shall be furnished by the Bidder/Developer for CoPT’s information and records.

6.4.2. The Developer shall ensure that the Bidder / members of the Consortium, maintain Management Control at least until expiry of 3 (three) years from the Date of Commercial Operations, as also maintain their equity holding in the Developer such that:

(This provision would be edited depending on whether the Bidder is a single applicant or a Consortium. Sub Clause (b) will be omitted in case the Bidder is a single Applicant).

(a) The Bidder/members of the Consortium legally and beneficially hold not less than 51% (fifty one percent) of its paid up equity capital until 3 (three) years after Date of Commercial Operations and not less than 25% (twenty six percent) of its paid up equity capital during the balance Contract Period; and

(b) M/s [●] ("Lead Member") legally and beneficially holds at any time not less than 50% (fifty percent) of the Consortium’s holding in the paid up equity capital of the Developer.

[Signature]
N V Sreedhar Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

[Signature]
CHIEF ENGINEER
Cochin Port Trust
Kochi - 682 015
Notwithstanding the aforesaid, any transfer of shareholding in the Developer and/or direct or indirect change in the Management Control of the Developer, including by way of a restructuring or amalgamation, shall only be with the prior written approval of the Employer which consent shall not be withheld except:

(i) for reasons of national security; or
(ii) if the Person proposed for assuming such Management Control would by virtue of the restrictions imposed under the Applicable Law or the conditions of bidding (including restrictions to avoid anti-competitive and monopolistic practice) and/or public policy be disqualified from undertaking the Project.

Provided, nothing contained in this Clause shall preclude or prevent pledge of shares in the Developer in favour of Lenders as security for the Financial Assistance subject to the enforcement and consequent transfer thereof only with the prior written consent of the Employer as stated hereinbefore and in accordance with the Financing Documents.

6.4.3. The Developer shall ensure that its articles of association adequately reflect the aforesaid and the relevant commitments, obligations and responsibilities of the Bidder/Consortium. In particular, the articles of association and the memorandum of association of the Developer shall be amended within 3 (three) months of the Date of Award of the Project to include the terms and conditions regarding the composition of shareholding and management stipulated in this Agreement, and terms and conditions related to changes in the shareholding pattern stipulated in this Agreement. The Developer shall submit the amended articles of association and memorandum of association to the Employer as soon as may be reasonably possible. Any subsequent change in the articles of association or the memorandum of association which alter the provisions required by this clause shall require the prior approval of the Employer and the articles of association and memorandum of association of the Developer shall include a specific provision to this effect.

SIGNATURE OF BIDDER

N. V. Kala
Company Secretary
Cochin Shipyard Limited
Kochi / Kochi - 682 015

CHIEF ENGINEER
Cochin Port Trust
Kochi - 682 015
SECTION 7: ABOUT COCHIN PORT

Cochin Port, one among the thirteen Major Ports of India is located on the SouthWest Coast of India in the state of Kerala at latitude 9° 58' N and longitude 76° 16' E. It is the fastest growing maritime gateway to the peninsular India. Cochin Port, India's first e-Port, is an ISO: 9001-2008 certified port complying with all ISPS and MARPOL regulations. The existing harbour basin is within the naturally protected area of Cochin lagoon. The entrance of the Port is through the waterway between the peninsular headlands of Vypeen and Fort Cochin, popularly known as the 'Cochin Gut'. The approach channel to the Port up to the Cochin Gut is about 13 km long with a width of 260 m for a length of 11 km and 286 m for remaining length and maintained depth varies from (-)15.95 m to (-)17.4 m. Main facilities of the Port are located on the artificially created Willingdon Island. The Port offers round the clock navigation throughout the year. Cochin is an all weather Port and is strategically located close to the trunk sea routes from Europe to Australia / Far East. The diversion distance to Cochin from this trunk route is only 74 nautical miles. There is only 11 nautical miles diversion from the Singapore- Gulf sea route to Cochin. No other Indian Major Port enjoys this geo-strategic locational advantage. The Layout of Cochin Port is attached (Figure- 1).

OCEANOGRAPHIC DATA
Details on oceanographic data at Cochin Port are as below:

Tides
Cochin experiences a semi diurnal tides. The tidal levels as per Naval Hydrographic Chart No.2004 are as follows:

- Highest High Water Level : +1.20m
- Mean High Water Spring (MHWS) : +0.92m
- Mean Low Water Spring (MLWS) : +0.80m
- Mean Sea Level (MSL) : +0.582m
- Mean High Water Neap (MHWN) : +0.60m
- Mean Low Water Neap (MLWN) : +0.30m
Waves
The wave climate in the sea is governed by the South West monsoon when wave action can be strong with prevailing wave directions from north-west to south-west. Deep water (15m) wave observations in the past indicate the significant wave heights of 4m, 2m and 1m at the water depths of 10m, 5m and 2m respectively, the predominant wave direction being west.

Wave action inside the harbour is insignificant because of narrow entrance between Cochin Gut and Fort Cochin and the configuration of the land. Generally calm conditions prevail throughout the year except during the times of extreme wind action.

Current
The currents along the coast of Cochin consist of tide, wave and wind induced components. As per observations the maximum current velocities at the Cochin Gut during the non-monsoon periods is of the order of 3 knots, which could increase to as high as 5.5 knots during the monsoon period. Inside the harbour the current velocities are relatively low, of the order of 1 to 3 knots only, with directions varying at different locations. Maximum flood velocities during the monsoon were observed at the bottom due to density currents.

Littoral Drift
The Littoral Drift influenced by the monsoon is southwards during south-west monsoon period and northwards during non-monsoon period. Though this contributes to the siltation in the approach channel, it has no direct impact in the Mattancherry Channel.

Bathymetry
The seabed slopes gently in the offshore region and is about 1 in 500-600. The coast experiences the littoral drift, as anywhere else but there is a phenomenon of formation of the mud banks. The mud banks are not stationary and have a tendency to move in the coastal region.

Bar formation at the entry of the port is a natural phenomenon and takes place during south west monsoon season. Hence, annual maintenance dredging needs to be resorted to in order to keep the necessary depths and widths in the navigational channel.

Lowest Low Water Level : +0.20m
Littoral drift takes place during both the monsoons as a result of which the channel experiences siltation. This also gets compounded when material from the mud banks finds its way to the entrance channel during the flood tides.

CLIMATE AND METEOROLOGY

Temperature and Humidity

Temperature at Cochin varies from about 23° to 32.5°C. There are not much distinct seasonal variations in the temperature, which is more or less uniform throughout the year. However, highest temperature tends to occur in the months of March to May. Low temperatures occur during December and January.

The Humidity is high throughout the year. From June to September, during monsoon, the humidity ranges from 95% to 100%. From October to January it comes down to 50% to 70%. During the summer months of February to May average humidity is about 60%.

Winds and Cyclones

The wind speed and wind direction is determined by the season and by the daily temperature differences between land and sea. The predominant wind direction during the monsoon period i.e. from June to September is west to south-west and the effect of land breeze is not dominant during this period.

During the non-monsoon periods, the predominant wind direction is from north-east during the morning and west during the evening, which shows influence of land breeze.

The maximum wind speed observed was of the order of 112 kmph from WSW direction.

Cochin lies beyond the cyclone belt and therefore the risk of cyclones is negligible.

Rainfall

The maximum rainfall usually occurs during the SW monsoon period i.e. from June to September. The annual rainfall in the region varies between 2500 to 3500 mm.
APPENDIX-1

THE PORT ASSETS TO BE TRANSFERRED TO THE DEVELOPER

Cochin Port Trust is offering its assets in Ship Repair such as the Workshop Complex including the Dry Dock and Slipway ("Workshop") along with appurtenant land and waterfront, on lease for 30 years, along with its employees attached to the facility for development and operation of an International Ship Repair Facility.

The details of Port Assets which are offered to the Bidders are as follows:

1. The Project Site

The Site offered for establishing the International Ship Repair Facility (Project Site) comprises 16.9 hectares of land area with 850 metres of water frontage on the eastern side of the Mattancherry channel and about 15.6 hectares of adjoining Water Area (for providing the required jetty and ship lift facilities). A Location Plan is attached (Figure-II).

Certain portion of this land area as shown in the Location Plan falls in the flying funnel of the Indian Navy and hence the structures in this area are subjected to height restrictions, the maximum permissible height being 14.5 m.

Out of this, 9.9 ha of land area (comprising of the present Workshop Compound and area north of it), and 15.6 ha. of adjoining water area forming part of the Project Site, will be handed over in the first stage. The remaining 7.0 ha of land area on the south side of the Workshop Compound comprised in the Project Site, is envisaged to be handed over to the Developer in the second stage, after the expiry of two years from the Date of Award of the Project.

2. Existing Ship Repair Facilities

The existing facilities available in the above Project Site includes a Graving Dry Dock of size 66 m x 12.5 m x 4 m capable of docking vessels upto 4 m draft.
a small Slipway and workshop facilities with various machinery & equipment. The Dry Dock can be utilized for repairing upto 30 nos. of medium size vessels per annum, considering round the clock operations. The above assets of Cochin Port, viz., Workshop Complex, Dry Dock and Slipway including various machinery & equipment therein have been valued at Rs. 12.92 Crores, abstract of which is as given below:

<table>
<thead>
<tr>
<th>SL. NO.</th>
<th>ITEM</th>
<th>VALUE (IN Rs. CRORES)</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>CIVIL WORKS</td>
<td>9.74</td>
</tr>
<tr>
<td>2.</td>
<td>ELECTRIFICATION WORKS</td>
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</tr>
<tr>
<td>3.</td>
<td>PLANT AND MACHINERY</td>
<td>1.02</td>
</tr>
<tr>
<td>4.</td>
<td>DRY DOCK</td>
<td>1.53</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>12.92</td>
</tr>
</tbody>
</table>

N V Suresh Babu  
General Manager  
Cochin Shipyard Limited  
Kochi - 682 015  
V. KALA  
Company Secretary  
Cochin Shipyard Limited  
Kochi - 682 015  

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CHIEF ENGINEER  
COCHIN PORT TRUST  
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APPENDIX- 2

PROJECT REQUIREMENTS

The International Ship Repair Facility is to be positioned as a Modern Ship Repair Yard of International Standard for maintenance repair and overhaul of small and medium size vessels by ensuring fast turnaround, high quality & excellent service so as to reduce the business opportunity costs associated with such activities. Catering to large size vessels would not be a feasible proposition due to draft limitations in the adjoining Mattancherry channel.

As such, the International Ship Repair Facility (ISRF) shall focus on undertaking repair of small and medium size vessels. The Ship Repair Facility shall comprise of: (i) the berth facilities for afloat repairs; and (ii) Dry Docks for repair of underwater surfaces and gears.

Towards the above end, the Successful Bidder / Developer shall put up and operate the following minimum facilities and services in the Leased Premises, at its risk and cost:

(i) Ship Repair Facility capable of handling the Design Fleet of upto 25000 DWT with the following broad parameters:

Length (LOA) of the vessel - 160 m, Beam of the vessel - 26 m, Maximum Light Weight of the vessel in the dry dock position - 8000T

(ii) Two nos. of dry docking facilities including the existing Graving Dock which could be utilized for repair of small sized vessels. The medium sized vessels could be given preference in the new dry docking facility.


(iii) A Ship Lift System with 3 Transfer Tracks and 3 Parking Bays for simultaneous docking of 6 such vessels to be commissioned in a phased manner, complying with the following schedule:

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>SCHEDULE OF COMMISSIONING</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PHASE 1:</strong> SHIP LIFT SYSTEM AND YARD FOR 2 VESSELS AND BERTH FOR AFLOAT REPAIRS</td>
<td>BY THE BEGINNING OF 31&lt;sup&gt;ST&lt;/sup&gt; MONTH FROM THE DATE OF AWARD OF THE PROJECT</td>
</tr>
<tr>
<td><strong>PHASE 2:</strong> ADDITIONAL YARD FOR 2 MORE VESSELS</td>
<td>BY THE BEGINNING OF 49&lt;sup&gt;TH&lt;/sup&gt; MONTH FROM THE DATE OF AWARD OF THE PROJECT</td>
</tr>
<tr>
<td><strong>PHASE 3:</strong> ADDITIONAL YARD FOR 2 MORE VESSELS</td>
<td>BY THE BEGINNING OF 61&lt;sup&gt;ST&lt;/sup&gt; MONTH FROM THE DATE OF AWARD OF THE PROJECT</td>
</tr>
</tbody>
</table>

The Developer will have the option to set up floating dry dock(s) additionally either in the inner harbor or outer harbor at the locations as approved by the Port, complying with the conditions stipulated by it. In such cases, the Developer will have to pay applicable lease rentals at the rates as prevailing from time to time for the use of water area. The Developer will also have the right to attend to the repairs of vessels berthed at any of the berths of CoPT.

(iv) Providing and maintaining all the facilities required for the International Ship Repair Facility such as workshop facilities, machineries, handling
equipments and cranes, lab equipments, fire prevention and fire fighting facilities, pollution control and environmental protection measures.

(v) Providing and maintaining the required depths in the berth basin and its approach as per the methodology of dredging approved by the Port. Cochin Port Trust would be maintaining the common user channel at a depth not less than 6 metres up to the UTL Jetty.

(vi) Facilities for repair and maintenance needs of CoPT

The existing facilities of the CoPT which carry out the repairs and maintenance of the port vessels and aids to navigation consisting of channel marking buoys and leading lights are transferred to the Successful Bidder/Developer. The repair needs of the mechanical equipment in the Cochin Oil Terminal, STB and NTB are also attended by the Port employees attached to the Workshop. Therefore, the Developer has to ensure that the aforementioned repair and maintenance needs of CoPT are met utilising the existing/new facilities, on priority basis. Such repair needs of the future Port terminals like Q4, MULT etc., are also required to be attended by the Developer.

The Cochin Port Trust would register its major planned requirements at least 90 days in advance. Breakdown repairs of on-line operational equipment shall be attended immediately on reporting. This shall cover both crafts and all the Tanker Terminals.

The dry docking of a maximum of 4 port vessels per annum shall be done without any docking charges.

The repair and maintenance cost of the port vessels / equipments, shall be finalized by mutual consultation between the Port and Developer. However, the rate shall not exceed the published rate of the Developer for the schedule of items. In case of items not included in the schedule, the rate shall be based on actual cost of material and labour plus overhead plus profit. The overhead percentage shall be decided based on the performance details of the yard in the previous year and on mutual consultation. The profit margin shall be 10% of the cost plus overheads.
In the case of port employees deputed for carrying out any work in Cochin Oil Terminal, the employees cost shall be paid without any overhead charges and profit.

Neither overheads nor profit margin shall be applicable in the case of materials/services/labour provided by Cochin Port Trust for the execution of any of the aforementioned repair and maintenance work.

However, the Cochin Port Trust will have the option to carry out these repair and maintenance needs through the selected developer or otherwise according to the convenience of the department.

(vii) Providing, maintaining and operating ancillary industries and allied facilities such as container repair facility, within the Leased Premises.

N V Suresh Babu  
General Manager  
Cochin Shipyard Limited  
Kochi - 682 015

V. KALA  
Company Secretary  
Cochin Shipyard Limited  
Kochi - 682 015
APPENDIX- 3

EMPLOYING EXISTING PERSONNEL/LABOUR

Presently, there are 286 employees of Cochin Port Trust (as given in the list attached) currently working in the Workshop which includes Marine Engineers, Mechanical Engineers, Supervisors, Skilled Technicians, Accountants, Clerks, etc. 206 of them would retire by the year 2021 as per the schedule below.

<table>
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In case the special VRS package that the Cochin Port Trust have submitted to the Ministry is approved, the number of employees may come down even further.

The Developer shall take over the employees of the CoPT currently engaged at Workshop ("CoPT's Employees") with employment conditions of each employee and bear the cost of said employees for their period of employment with the Developer and admissible claims arising out of the employment period with the Developer; being: (a) no less favorable than those applicable to them immediately before the take over; and (b) that in the event of retrenchment, compensation to such employees shall be on the basis that their services have been continuous and have not been interrupted by the take over. Provided, the Developer shall be obliged to engage such employees for the period until their superannuation. The Developer should enter into an agreement with the Modality Trade Unions at CoPT and Employer regarding employment of port employees currently working in the Workshop as per the terms and conditions in the Annexure - XIV.

The Developer shall bear all costs towards salary and allowances that are to be paid to the CoPT's Employees engaged by the Developer, at the rates prevalent from time to time, on pro-rata basis for the period the employees work with the Developer. The Developer shall discharge his liability on
account of pension and leave salary contribution in respect of such CoPT Employees within 30 days from the closure of every financial year during the currency of the contract.

Wages and other remuneration payable to the CoPT's Employees engaged by the Developer shall not be less than that they would have drawn had they been continued in the establishment of the CoPT. The basic pay structure and allowances as is applicable for the CoPT's Employees to be taken over by the Developer shall not be changed. However, compensation package to be offered to the CoPT's Employees may include the special package to be devised and offered to the employees in tune with productivity requirements. In case an employee is eligible for promotion had he been continuing in the establishment of the CoPT, such employee shall be eligible for notional promotion and other attendant benefits and it shall be paid by the Developer.

Interest bearing advances like Vehicle Advance, House Building Advance and Computer Advance for which the CoPT’s Employees engaged by the Developer are eligible, will be paid by the CoPT, and the Developer shall recover the installment of such advance including interest and remit to the CoPT without any cost to the CoPT. The Developer shall pay and recover festival advance to such employees as per the schedule published by the Board every year. The Developer shall only be obliged to recover such installments if the CoPT provides a certificate (in form and content to the satisfaction of the Developer), of the amount to be recovered from the CoPT’s Employees, and provided that, the CoPT indemnifies the Developer for all consequences arising as a result of the Developer complying with the provisions of this Appendix.

All the medical expenses of the CoPT’s Employees engaged by the Developer shall be borne by the Developer, as admissible in the case of employees of the CoPT’s establishment. It is clarified that the CoPT’s Employees engaged by the Developer and their eligible dependent(s) shall be eligible for availing hospital facilities of the CoPT, and the hospital charges as billed by the CoPT shall be paid by the Developer.

The CoPT’s Employees engaged by the Developer shall be entitled for allotment of Port quarters, as per their eligibility, had they been continuing in the Port Trust Service, in which case the recoveries like Licence fee for quarter, water and electricity charges etc., as intimated by the CoPT, shall be recovered by the Developer and remitted to the CoPT without any cost to the CoPT. The Developer shall pay the amount of House Rent Allowance due in respect of CoPT employees who are engaged by him as per this Agreement and who are occupying Port quarters, directly to the Port on a monthly basis. The Developer shall only be obliged to recover such installments if the CoPT
provides a certificate (in form and content to the satisfaction of the Developer), of the amount to be recovered from the CoPT's Employees, and provided that, the CoPT indemnifies the Developer for all consequences arising as a result of the Developer complying with the provisions of this Appendix.

The transfer of CoPT's Employees (Two hundred and Eighty Six or so) will be one time and final. The CoPT shall not be filling up the vacancies in respect of the CoPT's Employees engaged by the Developer. The CoPT's Employees transferred to the Developer will be repatriated to the establishment of CoPT only on expiry of the agreement or on termination of the Agreement.

The working conditions and service benefits admissible for employees of the CoPT's establishment as a result of any Government order, wage/pay settlement etc. shall be applicable to the CoPT's Employees engaged by the Developer. The CoPT shall promptly provide the Developer with copies of such Government orders, wage/pay settlement etc.

The Developer is free to negotiate with the CoPT's Employees engaged by the Developer and take action as provided under the law to change the working practices and conditions of the employees.

The salary of the CoPT's Employees (amounting to about Rs. 12.60 Crores annually at the present scale of pay for 286 employees) shall be payable by the Developer, but the terminal benefits due to employees shall be paid by the Port. Alternatively, the Developer could offer a Voluntary Retirement Scheme to the workers attached to the facility with ex-gratia payable by the Developer.

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi / Kochi - 682 015

Contd....
## LIST OF EXISTING CoPT EMPLOYEES AT WORKSHOP PROPOSED FOR TRANSFER TO THE DEVELOPER

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<th>Designation</th>
<th>Pay Scale</th>
<th>No. of Employees</th>
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<td>8</td>
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FORMAT OF PRE-CONTRACT INTEGRITY PACT

[Ref. Clause 3.2.2.2 (iv)]

General

This pre-bid pre-contract Agreement (hereinafter called the Integrity Pact) is made on ______ day of the month of ______, 20__, between, on one hand, the Board of Trustees of Cochin Port Trust acting through Shri. _______ (Designation of the Officer), Cochin Port Trust (hereinafter called the “BUYER/EMPLOYER”, which expression shall mean and include, unless the context otherwise requires, his successors in office and assigns) of the First Part and M/s. __________, Chief Executive Officer (hereinafter called the “BIDDER/SELLER/DEVELOPER” which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

WHEREAS the BUYER/EMPLOYER has invited bids for the project of “Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation” (hereinafter referred to as the “Project”) and the “BIDDER/SELLER/DEVELOPER” is submitting his Bid for the Project and

WHEREAS the BIDDER is a Private Limited Company / Public Limited Company/Government undertaking/registered partnership firm/Joint Venture/Consortium, constituted in accordance with the relevant law in the matter and the BUYER/EMPLOYER Cochin Port Trust.

NOW, THEREFORE,

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:-

Enabling BIDDERS to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER/EMPLOYER will commit to prevent corruption, in any form, by its officials by following transparent procedures.

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

General Manager
Cochin Shipyard Limited
Kochi - 682 015

CHIEF ENGINEER
Cochin Port Trust

94
The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:

**Commitments of the BUYER/EMPLOYER**

1.1 The BUYER/EMPLOYER undertakes that no official of the BUYER/EMPLOYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.

1.2 The BUYER/EMPLOYER will, during the pre-contract stage, treat all BIDDERs alike and will provide to all BIDDERs the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERs.

1.3 All the officials of the BUYER/EMPLOYER will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER/EMPLOYER with full and verifiable facts and the same is prima facie found to be correct by the BUYER/EMPLOYER necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER/EMPLOYER and such a person shall be debarred from further dealings related to the contract process. In such a case, while an enquiry is being conducted by the BUYER/EMPLOYER the proceedings under the contract would not be stalled.

**Commitments of BIDDERs**

3. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:-

3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER/EMPLOYER, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.
The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:

Commitments of the BUYER/EMPLOYER

1.1 The BUYER/EMPLOYER undertakes that no official of the BUYER/EMPLOYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.

1.2 The BUYER/EMPLOYER will, during the pre-contract stage, treat all BIDDERS alike and will provide to all BIDDERS the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERS.

1.3 All the officials of the BUYER/EMPLOYER will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER/EMPLOYER with full and verifiable facts and the same is prima facie found to be correct by the BUYER/EMPLOYER necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER/EMPLOYER and such a person shall be debarred from further dealings related to the contract process. In such a case, while an enquiry is being conducted by the BUYER/EMPLOYER the proceedings under the contract would not be stalled.

Commitments of BIDDERS

3. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:-

3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER/EMPLOYER, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

S. Kala
V. KALA
Company Secretary

N V Suresh Babu
General Manager
Cochin Shipyards Limited
Kochi - 682 015

CHIEF ENGINEER

COCHIN PORT TRUST

K. Sujith Kumar
COCHIN SHIPYARDS LIMITED
Kochi - 682 015

- 95 -
3.11 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

3.12 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative of any of the officers of the BUYER/EMPLOYER, or alternatively, if any relative of an officer of the BUYER/EMPLOYER has financial interest/stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filing of tender.

The term 'relative' for this purpose would be as defined in Section 6 of the Companies Act 1956.

3.13 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the BUYER/EMPLOYER.

4. Previous Transgression

4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify BIDDER'S exclusion from the tender process.

4.2 The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

5. Earnest Money (Security Deposit)

5.1 While submitting the bid, the BIDDER shall deposit an amount ___ (to be specified in Bid Document) as Earnest Money, with the BUYER/EMPLOYER through the following instruments:

(i) Demand Draft or a Banker’s Cheque in favour of ____ and/or

(ii) A confirmed guarantee by an Indian Nationalised Bank, promising payment of the guaranteed sum to the BUYER/EMPLOYER within 3 days of receipt of written demand from the EMPLOYER, without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the BUYER/EMPLOYER shall be treated as conclusive proof of payment.
(iii) Any other mode or through any other instrument (to be specified in the Bid Documents).

5.2 The Earnest Money shall be valid upto a period of 180 days from Bid Due Date.

5.3 In the case of successful Bidder, a Performance Security in the form of a Bank Guarantee valid till the successful Completion of the Contract Period will also be furnished to the BUYER/EMPLOYER, within 28 days of Letter of Acceptance of the Bid by the BUYER/EMPLOYER.

5.4 In case of the successful BIDDER, a clause would also be incorporated in the Article pertaining to Performance Security in the Project Contract that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Security in case of a decision by the BUYER/EMPLOYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.

5.5 No interest shall be payable by the BUYER/EMPLOYER to the BIDDER on Earnest Money/Security Deposit for the period of its currency.

6. Sanctions for Violations

6.1 Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the BUYER/EMPLOYER to take all or any one of the following actions, wherever required:-

(i) To immediately call off the pre contract negotiations without assigning any reason or giving any compensation to the BIDDER. However, the proceedings with the other BIDDER(s) would continue.

(ii) The Earnest Money Deposit (in pre-contract stage) and/or Performance Security (after the contract is signed) shall stand forfeited either fully or partially, as decided by the BUYER/EMPLOYER and the BUYER/EMPLOYER shall not be required to assign any reason therefore.

(iii) To immediately cancel the contract, if already signed, without giving any compensation to the BIDDER.

(iv) To cancel all or any other Contracts with the BIDDER. The BIDDER shall, be liable to pay compensation for any loss or damage to the BUYER/EMPLOYER resulting from such cancellation/rescission and the BUYER/EMPLOYER shall be entitled to deduct the amount so payable from the money(s) due to the BIDDER.

(v) To debar the BIDDER from participating in future bidding processes of the Government of India for a minimum period of five years, which may be further extended at the discretion of the BUYER/EMPLOYER.
(vi) To recover all sums paid in violation of this Pact by BIDDER(s) to any middleman or agent or broker with a view to securing the contract.

(vii) Forfeiture of Performance Security in case of a decision by the BUYER/EMPLOYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.

6.2 The BUYER/EMPLOYER will be entitled to take all or any of the actions mentioned at para 6.1(i) to (vi) of this Pact also on the Commission by the BIDDER or any one employed by it or acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act, 1988 or any other statute enacted for prevention of corruption.

6.3 The decision of the BUYER/EMPLOYER to the effect that a breach of the provisions of this Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER. However, the BIDDER can approach the Independent Monitor(s) appointed for the purposes of this Pact.

7. Fall Clause

7.1 The BIDDER undertakes that it has not performed / is not performing similar project at a price lower than that offered in the present bid in respect of any other Ministry/Department of the Government of India or PSU and if it is found at any stage that similar project was performed by the BIDDER to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the BUYER/EMPLOYER, if the contract has already been concluded.

8. Independent Monitors

8.1 The BUYER/EMPLOYER has appointed the following Independent Monitors (hereinafter referred to as Monitor) for this Pact in consultation with the Central Vigilance Commission.

Shri. P.C.Cyriac, IAS (Retd.), 28/3551-B, Waterfront Enclave, Off Chilavannor Road, Cochin -682 020.

8.2 The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.

8.3 The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.

[Signatures and stamps]
8.4 Both the parties accept that the Monitors have the right to access all the documents relating to the project/bidding, including minutes of meetings.

8.5 As soon as the Monitor notices, or has reason to believe, a violation of this Pact, he will so inform the Authority designated by the BUYER/EMPLOYER,

8.6 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the BUYER/EMPLOYER including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/Subcontractor(s) with confidentiality.

8.7 The BUYER/EMPLOYER will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings.

8.8 The Monitor will submit a written report to the designated Authority of BUYER/EMPLOYER within 8 to 10 weeks from the date of reference or Intimation to him by the BUYER/EMPLOYER / BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

9. Facilitation of Investigation

In case of any allegation of violation of any provisions of this pact or payment of commission, the BUYER/EMPLOYER or its agencies shall be entitled to examine all the documents including the Books of Accounts of the BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

10. Law and Place of Jurisdiction

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the BUYER/EMPLOYER.

11. Other Legal Actions

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

12. Validity

12.1 The validity of this Integrity Pact shall be from date of its signing and extend upto 5 years or the complete execution of the contract to the satisfaction of both the BUYER/EMPLOYER and the BIDDER/SELLER/DEVELOPER, including warranty period, whichever is later. In case BIDDER is unsuccessful, this Integrity Pact shall expire after six months from the date of the signing of the contract.

[Signatures and stamps]

N.V. Suresh Babu
General Manager
Kochi Shipyard Limited
Kochi - 682015

V. Kala
Chief Engineer
Cochin Port Trust
12.2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

13. The parties hereby sign this Integrity Pact at______ on______

BUYER/EMPLOYER
Name of the Officer.
Designation
Dept./MINISTRY/PSU

BIDDER
CHIEF EXECUTIVE OFFICER

Witness
1. ___________________
2. ___________________

Witness
1. ___________________
2. ___________________

* Provisions of these clauses would need to be amended/ deleted in line with the policy of the BUYER / EMPLOYER in regard to involvement of Indian agents of foreign bidders.
ANNEXURE – II

PROFORMA OF UNDERTAKING REGARDING ILLEGAL METHODS FOR INFLUENCING BID PROCESS

[Ref. Clause 3.2.2.2 (vi)]

To

The Chief Engineer,
Cochin Port Trust,
Cochin 682009,
Kerala, India.

Dear Sir,

1/ We do hereby undertake that I/We have not made any payment or illegal gratification to any person/authority connected with the bid process of Tender No.________________ so as to influence the bid process and have not committed any offence under the PC Act in connection with the Bid.

Yours faithfully,

Signature :

Name & Designation :

[Signature]

N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015
ANNEXURE – III

PROFORMA OF DISCLOSURE OF PAYMENT MADE/ PROPOSED TO BE MADE TO THE INTERMEDIARIES IN CONNECTION WITH THE BID

[Ref. Clause 3.2.2.2 (vii)]

To

The Chief Engineer,
Cochin Port Trust,
Cochin 682009,
Kerala, India.

Dear Sir,

I/We have made / proposed to make the following payments in connection with the Bid No. __________________________

1. __________________________ to Mr./Ms./Messrs________________________(Name and Address)

2. __________________________ to Mr./Ms./Messrs________________________(Name and Address)

3. __________________________ to Mr./Ms./Messrs________________________(Name and Address)

Yours faithfully,

Signature :

Name & Designation : 

Note: In case no payment is made or proposed to be made a 'Nil' statement shall be enclosed.
ANNEXURE – IV

PROFORMA OF UNDERTAKING THAT NO CHANGES HAVE BEEN MADE IN THE TENDER DOCUMENT DOWNLOADED

[Ref. Clause 3.2.2.2 (viii)]

To

The Chief Engineer,
Cochin Port Trust,
Cochin 682009,
Kerala, India.

Dear Sir,

We, ____________________________ do hereby confirm that no changes have been made in the tender document downloaded and submitted by us for the Tender No. ____________________________.

Yours faithfully,

Signature : ____________________________
Name & Designation : ____________________________

[Signatures and names of authorized officials]

Cochin Shipyard Limited
Kochi / Kochi - 682 015

CHIEF ENGINEER
Kochin Port Trust
COCHIN PORT TRUST
ANNEXURE - V

PROFORMA OF POWER-OF-ATTORNEY/LETTER OF AUTHORITY

[Ref. Clause 2.2.2 (bx) (a) (ii)]

To

The Chief Engineer,
Cochin Port Trust,
Cochin 682009.
Kerala, India.

Dear Sir,

We__________________________do hereby confirm that Mr./Ms./Messrs.__________________________ (Name and Address) is /are authorized to represent us to bid, negotiate and conclude the agreement on our behalf with you against Tender No.

We confirm that we shall be bound by all and whatsoever our said agents shall commit.

Yours faithfully,

Signature :

Name & Designation :

For & on behalf of : Signature, name and seal of the certifying authority

V. KALA
Company Secretary
Cochin Shipyard Limited
Cochin, Kerala - 682015
ANNEXURE – VI

PROFORMA OF POWER-OF-ATTORNEY

[Ref. Clause 3.2.2.2 (ix) (c) (iii)]

By this Power- of-Attorney executed on this ....day of .......(month) of 2012, we,

(i) ......Name of legally authorized signatory of first partner to be filled in......

(ii) ......Name of legally authorized signatory of second partner to be filled in......

................................................................. hereby jointly authorize and agree the Lead Partner, M/s ......Name of the lead partner to be filled in......:

(a) to submit Bid, negotiate and conclude contract and incur all liabilities therewith on behalf of the partner(s) of the JV / Consortium during the bidding process; and
(b) In the event of a successful Bid, to incur liabilities and receive instructions for and on behalf of the partner(s) of the JV / Consortium and to carry out the entire execution of the contract including payment for the work of "Development and Operation of An International Ship Repair Facility at W/Island With Private Sector Participation", (Bid No:............), exclusively through Lead Partner.

(l) Signature
Name
Designation seal
&
Common seal of the firm

(ii) Signature
Name
Designation seal
&
Common seal of the firm

.................................................................

Signature, name and seal of the certifying authority/Notary Public

[Signatures and seals are provided]
ANNEXURE - VII

PROFORMA OF UNDERTAKING THAT COVER B DOES NOT CONTAIN ANY CONDITION

[Ref. Clause 3.2.2.2 (xii)]

To

The Chief Engineer,
Cochin Port Trust,
Cochin 682009.
Kerala, India.

Dear Sir,

We do hereby confirm that Cover B (Price Bid) of the tender submitted by us for the Tender No. does not contain any condition.

Yours faithfully,

Signature :

Name & Designation :

Suresh Babu
General Manager
Cochin Shipyards Limited
Cochin - 682 015

V. KALA
Company Secretary
Cochin Shipyards Limited
Cochin - 682 015

-107- CHIEF ENGINEER
COCHIN PORT TRUST
### ANNEXURE- VIII

**PRICE BID**

**DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION**  
(Ref. Clauses 3.2.4 and 4.21)

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<thead>
<tr>
<th>Sl.No.</th>
<th>Description of work</th>
<th>AMOUNT</th>
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<tr>
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<td></td>
<td>In Figures</td>
</tr>
<tr>
<td>1.</td>
<td><strong>Upfront Fee (UF)</strong> which the Bidder undertakes to pay to CoPT in consideration of the Port Assets to be transferred to the Bidder/Developer.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td><strong>Guaranteed Amount (GA)</strong> which the Bidder undertakes to pay per annum to CoPT during the Contract Period of 30 years:</td>
<td></td>
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<table>
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<tr>
<th>Year</th>
<th>In Figures</th>
<th>In Words</th>
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<tbody>
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<td>29th</td>
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<tr>
<td>30th</td>
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</table>

**Note:** In addition to the above payments, the Developer shall make the Upfront Payment of INR 12.92 Crores and the Annual Lease Rentals for the Leased Premises as indicated in Clause 4.21. of this Bid Document.

**Date:**

**SIGNATURE AND NAME OF THE BIDDER**

**Place:**

---

 *[Signatures and seals of the General Manager and Chief Engineer]*

---

**COCHIN PORT TRUST**


PROFORMA OF JOINT VENTURE/CONSORTIUM AGREEMENT

[Ref. Clause 3.2.2.2 (xx) (c) (i) and 3.6.5].

This Joint Venture /Consortium Agreement is made and entered into on this ....... day of .......2012 by and between (i) M/s. ...(Name of the firm to be filled in)..............., (ii) M/s. ...(Name of the firm to be filled in)........,..., primarily for the work under the Cochin Port Trust.

All the partners of the Joint Venture /Consortium hereinafter individually referred to as the Parties and collectively as the ‘Joint Venture/Consortium’.

1.0 Formation of Joint Venture/Consortium

1.1. (i) M/s. ....... (Name of the firm to be filled in) is engaged in ........................................... (Details of the works undertaken by the party)

(ii) M/s. ....... (Name of the firm to be filled in) is engaged in ........................................... (Details of the works undertaken by the party)

(iii) M/s. .......

...........................................

...........................................

1.2. On behalf of Board of Trustees of Cochin Port Trust (hereinafter referred to as “Employer”), the Chief Engineer, Cochin Port Trust has invited Bids from well experienced and reputed firms with proven technical and financial capabilities for executing the project of "Development and Operation of An International Ship Repair Facility at W/Island With Private Sector Participation". (herein after referred as “the Project”).

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

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CHIEF ENGINEER
Cochin Port Trust
1.3. The Parties have been exploring together the ways and means of collaboration for the purpose of an offer to be made for the said project of the Cochin Port Trust and have mutually agreed to enter into a Joint Venture/Consortium Agreement to submit a common Bid for the Project and to carry out the Project works in the event of award of the contract, in association with each other and (.....Name of Partner to be filled in........) shall be the Lead Partner and (i) (.....Name of Partner to be filled in........), (ii) (.....Name of Partner to be filled in........) shall be the other partner(s).

NOW THEREFORE IT HAS BEEN AGREED TO BETWEEN THE PARTIES AS FOLLOWS:

1.4. The Joint Venture/Consortium will be known as (.....Name of JV to be filled in........) .................and shall consist of (i) (.....Name of the firm to be filled in........), (ii) (.....Name of the firm to be filled in........), ..........., Parties to the present agreement.

1.5. The recitals are true and correct and form an integral part of this agreement and are representations of the Parties to which they relate and have been relied upon by the Parties to enter into the present agreement.

1.6. Notwithstanding the date of signature of this agreement, its effective date will be the date of submission of Bid.

1.7. All costs incurred by the Parties before the date of award of contract will be borne by the Parties concerned. All costs in implementation of this Joint Venture/Consortium Agreement after award of contract till the expiry of this agreement will be borne by the Parties as hereinafter provided.

1.8. The Joint Venture/Consortium will be dissolved and this agreement will cease to have effect on completion of this project, maintenance and fulfilment of all other conditions under the contract, upon receipt of payment of all amounts from the Employer and on settlement of accounts between the Parties as hereinafter provided.

1.9. The contract, if awarded by the Employer, Letter of Acceptance shall be issued in the name of (.....Name of JV/Consortium to be filled in........) and the Contract shall be signed by legally authorised signatories of all the Parties.

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi / Kochi - 682 015

CHIEF ENGINEER
Cochin Port Trust

COCHIN PORT TRUST
1.10. All the Parties of the JV/Consortium shall be jointly and severally liable during the bidding process and the Bid Document shall be signed by legally authorised signatory of all the Parties.

1.11. The financial contribution of each partner to the JV/Consortium operation shall be:

(i) M/s......... *(Name of the partner to be filled in)*  -  ..........  

(ii) M/s......... *(Name of the partner to be filled in)*  -  ..........  

1.12. All the Parties of the JV/Consortium shall be jointly and severally liable for the execution of the Project in accordance with the Contract terms, in the event of award of contract. The delineation of duties, responsibilities and scope of work shall be:

a) The Lead Partner, shall provide suitable experienced personnel at site, for general planning, site management, operation and maintenance of the Project facilities, during entire Contract Period.

b) *(......Name of Partner to be filled in.........)* shall carry out the following works

-------------------------------------------------------------

-------------------------------------------------------------

c) *(......Name of Partner to be filled in.........)* shall carry out the following works

d)  

1.13. The Parties hereto agreed that each of them shall duly and properly perform all the functions and all costs related to their respective works.
1.14. The Parties hereto shall be at liberty to enter into liaison work/correspondence with statutory and local authorities as the circumstances warrant, individually or collectively.

1.15. It is hereby agreed and undertaken that, all the Parties are jointly and severally liable to the "Board" of Cochin Port Trust for the performance of the contract.

1.16. Notwithstanding demarcation or allotment of work between JV / Consortium partners, JV/Consortium each partner shall be liable for non performance of the whole contract irrespective of their demarcation or share of work.

1.17. The Lead Partner shall be authorised to act on behalf of the JV/Consortium.

1.18. All the correspondences between the Employer and the JV / Consortium shall be routed through the Lead Partner.

1.19. The Lead Partner is authorized: (a) to submit Bid, negotiate and conclude contract and incur all liabilities therewith on behalf of the partner(s) of the JV / Consortium during the bidding process; and (b) in the event of a Successful Bid, to incur liabilities and receive instructions for and on behalf of the partner(s) of the JV / Consortium and to carry out the entire execution of the contract including payment, exclusively through Lead Partner.

1.20. In the event of default of the Lead Partner, it shall be construed as default of the Bidder/Contractor; and Employer shall be entitled to take action under relevant clause(s) of the Department Bid Document and/or Conditions of Contract.

1.21. All the Parties of the JV/Consortium shall be jointly and severally liable for due performance, recourse/sanctions within the joint venture in the event of default of any partner and arrangements for providing the required indemnities.

The Parties hereto have mutually agreed to the terms and conditions set forth herein above and have assured each other to duly perform the reciprocal promises and obligations on either side for effective implementation of the JV/Consortium for proper and due completion of the works envisaged, in the
event of award of contract to the JV/Consortium and have affixed their signature in this indenture on this the ........day of ......2012

(i) Signature
   Name
   Designation seal
   &
   Common seal of the firm

(ii) Signature
   Name
   Designation seal
   &
   Common seal of the firm
   ...........................................................
   ...........................................................
   ...........................................................

Witness 1

Witness 2

N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

CHIEF ENGINEER
COCHIN PORT TRUST
ANNEXURE - X

PROFORMA OF IRREVOCABLE BANK GUARANTEE FOR

EARNEST MONEY DEPOSIT

[Ref. Clause 4.2.2]

(To be executed on Rs.100/- non-judicial Stamp Paper)

B.G. No. ___________________________ dated ________

This Deed of Guarantee executed at _________ by ____________ (Name of Bank) having its Head/Registered office at ____________ (hereinafter referred to as "the Guarantor") which expression shall unless it be repugnant to the subject or context thereof include its executors, administrators, successors and assigns;

In favour of

The Board of Trustees of Cochin Port Trust (hereinafter called "the EMPLOYER"), having its office at Willingdon Island, Cochin – 682 009, which expression shall unless it be repugnant to the subject or context thereof include its executors, administrators, successors and assigns;

Whereas M/s. ________________, a Company registered under the provisions of __________ having its registered office at __________ (hereinafter called "the Bidder") which expression shall unless it be repugnant to the subject or context thereof include its executors administrators, successors and assigns, has Bid for the project of "Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation" (hereinafter referred to as "the Work").

Whereas in terms of the "Bid Document", the Bidder is required to furnish to the EMPLOYER an Earnest Money Deposit (EMD) of Rs. 8 Crores (Rupees Eight Crores only), out of which Rs. 7 Crores (Rupees Seven Crores only) may be

V. KALA
General Manager
Cochin Shipyard Limited
Kochi / Kochi - 682 015

[Signature]

V. KALA

[Signature]

CHIEF ENGINEER
Cochin Shipyard Limited
Kochi / Kochi - 682 015
furnished as an unconditional and irrevocable Bank Guarantee, and the Guarantor has at the request of the Bidder, agreed to provide such Guarantee being these presents:

Now this deed witnesseth that in consideration of the premises, We, ———— Bank hereby declare, undertake and agree as follows:

a) We as primary obligor shall, without demur, pay to the EMPLOYER an amount not exceeding Rs. 7 Crores (Rupees. Seven Crores only) within 3 (three) days of receipt of a written demand from the EMPLOYER stating that the EMD has been forfeited in terms of sub-clauses 3.14.1 and 3.20.7 of the 'Instruction to Bidders' or 4.3.2 of the 'General Terms and Conditions of Contract' of Technical Bid Document. Any such demand made on us by the EMPLOYER shall be conclusive and absolute as regards the forfeiture of the EMD and the amount due and payable under this Guarantee.

b) The above payment shall be made by us without any reference to the Bidder or any other person and irrespective of whether the claim of the EMPLOYER is disputed by the Bidder or not.

c) This Guarantee shall remain in full force for a period of 180 days from the Bid Due Date of ———— inclusive of a claim period of 60 (sixty) days or for such extended period as may be mutually agreed between the EMPLOYER and the Bidder and shall continue to be enforceable till all amounts which are demanded by the EMPLOYER under this Guarantee are paid.

d) In order to give full effect to this Guarantee, the EMPLOYER shall be entitled to treat the Guarantor as the principal debtor and the obligations of the Guarantor shall not be affected by any variations in the terms and conditions of the Bid Document or other documents or by extension of time of performance of any obligations by the Bidder or any postponement for any time of the powers exercisable by the EMPLOYER against the Bidder or forebear or enforce any of the terms and conditions relating to non-compliance of the Bid Document by the Bidder and we shall not be relieved from our obligations by reason of any variation or extension being granted to the Bidder or forbearance or omission on the part of the EMPLOYER or any indulgence by the EMPLOYER to the Bidder to give such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

[Signature]

N V Suresh Babu
General Manager
Cochin Shipyards Limited

100 [Signature]

115 [Signature]

Cochin Port Trust
e) This Guarantee shall be irrevocable and shall remain in full force and effect until all our obligations under this Guarantee are duly discharged.

f) The Guarantor has power to issue this Guarantee and the undersigned is duly authorised to execute this Guarantee pursuant to the power granted under ————

In Witness whereof, the Guarantor has set its hands hereunto on the day, month and year first hereinabove written.

Signed and Delivered by ————

Bank by the hand of Shri ————

its ———— and authorised official

* Fill in the scheduled date of submission of Bid.

[Signatures]

[Signatures]
ANNEXURE-XI

PROFORMA OF BANK GUARANTEE FOR PERFORMANCE SECURITY

[Ref. Clause 4.3.]

(To be executed on Rs.100/- non-judicial Stamp Paper)

THIS DEED OF GUARANTEE executed on this the ---- day of ---- at ----- by -
---------------------------------------- (Name of the Bank) having its
Head/Registered office at -------------------------------
- hereinafter referred to as “the Guarantor” which expression shall unless it
be repugnant to the subject or context thereof include its successors and
assigns;

In favour of THE COCHIN PORT TRUST, a body corporate constituted under
the provisions of the Major Port Trusts Act, 1963 and having its Administrative
Office at Willingdon Island, Cochin – 682 009 (hereinafter referred to as “the
Board” or “the CoPT”) which expression shall, unless repugnant to the context
or meaning thereof include its administrators, successors or assigns.

WHEREAS

a) The Board, had invited Bids for the project of “Development and
Operation of an International Ship Repair Facility at W/Island with Private
Sector Participation” (hereinafter referred to as “the Project”).

b) After evaluation of the bids received in response, the Board accepted the
bid of the _______________ (“the Bidder”) and issued the Letter of Acceptance
No _______________ (“LOA”) to the Successful Bidder/Developer (“the Developer”) requiring, inter alia, the execution of the
Project Agreement, (“the Project Agreement”), the draft whereof was provided
in the Bid Documents;

c) Pursuant to the LOA, the Bidder has to enter into the Project Agreement
for undertaking, inter alia, the Project referred to in Recital (a) above and to
perform and discharge all its obligations thereunder.

d) In terms of the LOA and the Project Agreement, the Developer is
required to furnish to the Board, a Performance Guarantee being an
unconditional and irrevocable Bank Guarantee from a Scheduled Bank for a
sum of Rs. ____________ (Rupees

____________________
V. KALA

Company Secretary

Cochin Shipyard Limited

Kochi - 682 015

Chief Engineer

COCHIN PORT TRUST
only) as security for due and punctual performance/discharge of its obligations under the Project Agreement during the Contract Period.

e) At the request of the Developer, and for valid consideration the Guarantor has agreed to provide guarantee, being these presents guaranteeing the due and punctual performance/discharge by the Developer of its obligations under the Project Agreement during the Contract Period.

NOW THEREFORE THIS DEED WITNESSETH AS FOLLOWS:

1. Capitalized terms used herein but not defined shall have the meaning assigned to them respectively in the Project Agreement.

2. The Guarantor hereby irrevocably and unconditionally guarantees the due execution and punctual performance by M/s. [Name of Developer] ("the Developer") of all its obligations under the Project Agreement during the Contract Period.

3. The Guarantor shall, without demur or protest, pay to the Board sums not exceeding in aggregate Rs. [Amount] (Rupees only) within three (3) calendar Days of receipt of a written demand therefor from the Board stating that the Developer has failed to meet its performance obligations under the Project Agreement during the Contract Period. The Guarantor shall not go into the veracity of any breach or failure on the part of the Developer or validity of demand so made by the Board and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Developer or any other Person before any court, tribunal, expert, arbitrator or similar proceedings. The Guarantor's obligations hereunder shall subsist until all such demands of the Board are duly met and discharged in accordance with the provisions hereof. Any such demand made on the Guarantor by the Board shall be conclusive, absolute and unequivocal as regards the amount due and payable by the Guarantor under this Agreement. The CoPT shall at all times at its sole discretion have the absolute and unconditional right to call upon the Guarantor to pay the amount under the Guarantee.

4. In order to give effect to this Guarantee, the Board shall be entitled to treat the Guarantor as the principal debtor. The obligations of the Guarantor shall not be affected by any variations in the terms and conditions of the Project Agreement or other documents or by the extension of time for performance granted by the Board or postponement/non exercise/ delayed exercise of any of its rights by the Board or any indulgence shown by the Board to the Developer and the Guarantor shall not be relieved from its obligations.

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi / Kochi - 682 015

N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi / Kochi - 682 015
under this Guarantee on account of any such variation, extension, postponement, non exercise or delayed exercise by the Board of any of the Board's rights or any indulgence shown by the Board; provided nothing contained herein shall enlarge the Guarantor's obligation hereunder.

5. This Guarantee shall be unconditional and irrevocable and shall remain in full force and effect until the successful completion of the Contract Period unless discharged / released earlier by the Board in accordance with the provisions of the Project Agreement. The Guarantor's liability in aggregate shall be limited to a sum of Rs. ________________ (Rupees ________________ only).

6. This Guarantee shall not be affected by any change in the constitution or winding up, insolvency, bankruptcy, dissolution or liquidation of the Developer/ the Guarantor or any absorption, merger or amalgamation of the Developer/the Guarantor with any other Person.

7. Any payment made hereunder shall be made free and clear of, and without deduction for or on account of taxes, levies, imposts, duties, charges, fees, deductions, or withholding of any nature whatsoever.

8. The Guarantor hereby irrevocably and unconditionally undertakes, agrees and acknowledges that its obligations as a Guarantor hereunder:

   a. shall not be affected by the existence of or release or variation of any other guarantee or security for any of the obligations of the Developer under the Project Agreement;
   b. shall not be affected by any failure by the CoPT to perform any of its obligations under the Agreement;
   c. shall not be affected by any failure or delay in payment of any fee or other amount payable to the Guarantor in respect hereof;
   d. shall not be affected by any exercise or non-exercise of any right, remedy, power or privilege of any person under or in respect of any payment obligations of the Developer under the Project Agreement;
   e. shall not be affected by any failure, omission or delay on the Employer's part to enforce, assert or to exercise any right, power or remedy conferred on the CoPT in this Guarantee;
   f. shall not be affected by any act, omission, matter or thing which, but for this clause would reduce, release or prejudice the Guarantor from any of the obligations under this Guarantee or prejudice or diminish the obligations in whole or in part.

9. The obligations, covenants, agreements and duties herein shall not be subject to any counterclaims, cross claims, set offs, deductions, withholdings,
diminutions, abatements, recoupments, suspensions, deferments, reductions or defence for any reason whatsoever and the Guarantor, shall have no right to
terminate this Guarantee or to be released, relieved or discharged from any of
its obligations, covenants, agreements and duties hereunder for any reason
whatsoever.

10. The Guarantor has power to issue this guarantee and discharge the
obligations contemplated herein, and the undersigned is duly authorized to
execute this Guarantee pursuant to the power granted under ____________.

11. This Guarantee shall be governed by and construed in accordance with
the laws of India. The Guarantor hereby irrevocably submits to the exclusive
jurisdiction of the Court of Cochin for the purpose of any suit, action, or other
proceeding arising out of this Guarantee, or the subject matter hereof, brought
by the CPT or its successors or assigns. To the extent permitted by Applicable
Law, the Guarantor or its successors or assigns hereby waive, and shall not
assert, by way of motion, as defence, or otherwise, in any such suit, action, or
proceeding any claim that such suit, action, or proceedings is brought in an
inconvenient forum, or that the value of such suit, action, or proceeding is
improper, or that the subject matter hereof may not be enforced in or by such
court.

IN WITNESS WHEREOF THE GUARANTOR HAS SET ITS HANDS
HEREUNTO ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE
WRITTEN.

SIGNED AND DELIVERED by
______________________ Bank by the hand

of Shri _____________ its
____________ and authorized official.

N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi / Kochi - 682 015

V. K A
Company Secretary
Cochin Shipyard Limited
Kochi / Kochi - 682 015

CHIEF ENGINEER
COCHIN PORT TRUST
AGREEMENT FORM

AGREEMENT No. OF

[Ref. Clause 4.5.1]

AGREEMENT FOR THE PROJECT OF .............................................

THIS AGREEMENT IS MADE on this day ........ of ............
BETWEEN THE BOARD OF TRUSTEES OF COCHIN PORT TRUST, a body
facial corporate under the Major Port Trust Act, 1963 having office on Willingdon
Island, Cochin-682009 represented by its

* Shri.............................................. S/o

............................... aged .... years residing at ....................... Village

........................... Taluk ............... District (hereinafter referred to as the
"Employer" which expression shall unless repugnant to the context or meaning
thereof, include its successors, assigns and administrators in the office) of the
one part and M/s. .............................. represented by Shri. ........................

aged ......... S/o ................................ residing at ....................... Village

........................... Taluk ............... District (hereinafter referred as "Developer"
which expression shall unless repugnant to the context or meaning thereof,
include their successors, assigns and administrators) of the other part.

WHEREAS the Employer invited Bids for ......................

............................... vide Tender Notice ...................... dated

............................... and the Bidder/Developer submitted a Bid for the same subject to
the terms and conditions etc. of the Bid Documents.

AND WHEREAS the said Bid submitted by the Bidder/Developer has
been accepted by the Employer vide LOA No ..................... dated

............................... issued to the Bidder/Developer while accepting their Bid.

*(Retain only the authority signing the agreement)
NOW THESE PRESENTS WITNESSETH and the parties hereby agree as follows:

1. The Bid submitted by the Bidder/Developer for execution for the Board, of the Project specified in the underwritten memorandum within the time specified in such memorandum and in accordance in all respects with the provisions of the Bid Documents hereinafter detailed, is accepted.

2. The Bidder/Developer has agreed to abide by and fulfill all the terms and conditions/provisions of the said Bid Documents or in default thereof, forfeit and pay to the Board, the sum of money mentioned in the said conditions.

3. The Developer has furnished to the Board, a Performance Guarantee being an unconditional and irrevocable Bank Guarantee from a Nationalized/Scheduled Bank operating in India, for an amount of Rs. 39.25 crores (Rupees Thirty Nine Crores twenty five lakhs only) as per the proforma in the Bid Document, as security for due and punctual performance/discharge of its obligations under the Project Agreement during the Contract Period. This Bank Guarantee shall be forfeited in full or part as decided by the Chief Engineer/Board, whose decision shall be final and binding on the Developer, on failure of the Developer to perform or on non-fulfillment of the terms and conditions of the Contract by the Developer.

4. It is mutually agreed that the Bid in its entirety shall form part of this Agreement. The following documents shall be deemed to form and be read and construed as part of the Agreement:

a) LOA as per Cochin Port Trust’s letter number .......... ............... dated ...................... and the Bidder’s acknowledgement of receipt of the LOA;

b) The Bid submitted by the Bidder comprising of the Technical Bid dated ............. and Price Bid dated .............;

c) ........

\[Signature\]
V. Kala
Chief Engineer
Cochin Port Trust
107
MEMORANDUM

a) General description : "Development and Operation of An International Ship Repair Facility at W/Island With Private Sector Participation".

b) Earnest Money Deposit : INR 8 Crores (Rupees Eight Crores only)


d) Commencement of work : After the Date of Award of the Project as defined in Section 4 of the Bid Document.

e) Contract Period : 30 years.

f) Time for commissioning : 30 Months for Phase 1, 48 Months for Phase 2 and 60 Months for Phase 3, all from the Date of Award of the Project.

IN WITNESS WHEREOF, THE DEVELOPER hereunto set his hand and seal on behalf of M/s............................... and on behalf of the Board of Trustees of COCHIN PORT TRUST, the "CHIEF ENGINEER has set his hand and seal and common seal of Trustees has been hereunto affixed the day and year first written above.

DEVELOPER
Signed, sealed and delivered
By Shri.............................
of M/s..............................

(COMMON SEAL OF THE FIRM)

V. KALA
Company Secretary
Cochin Shipyards Limited
Kochi / Kochi - 682 015

N V Suresh Babu
General Manager
Cochin Shipyards Limited
Kochi / Kochi - 682 015
Signed and affixed seal in the presence of:

1) Signature with address:

2) Signature with address:

Signed, sealed and delivered by the

*CHIEF ENGINEER*

Cochin Port Trust

on behalf of Board of Trustees of Port of Cochin.

[Signature]

N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

V. KAILA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

[Signature]

CHIEF ENGINEER
COCHIN PORT TRUST
ANNEXURE - XIII

FORMAT OF LEASE DEED

(Separate Lease Deeds for the areas handed over in the 1st and 2nd stages)

THIS DEED OF LEASE, made the ..................day of ..................Two thousand and ..................between THE BOARD OF TRUSTEES OF THE PORT OF COCHIN, a body corporate under the Major Port Trust Act, 1963, having its office at Willingdon Island, Cochin, represented by its ................................................., son of late C.O. Varkey, aged 51 years residing at Willingdon Island, Thoppumpady Village, Cochin Taluk, Ernakulam District, Kerala State (hereinafter called “the Lessor”, which expression shall unless repugnant to the context or meaning thereof, include its successors and assigns) of the one part and M/s. .........................................................., a company registered under the Companies Act, 1956 and having its registered office at...................................................., represented by its ...................................................., son of .............., aged ........ years residing at .......................................................... (hereinafter called “the Lessee” which expression shall unless repugnant to the context or meaning thereof, include its successors and assigns) of the other part,

WHEREAS,

By the Agreement dated ______ entered into between the Lessor as Employer and the Lessee as the Developer (hereinafter referred to as “the Project Agreement”), the Lessor has awarded to the Lessee, the Project of “Development and Operation of an International Ship Repair Facility at W/Island (ISRF) with Private Sector Participation” in terms of the provisions set out thereunder.

AND WHEREAS to facilitate the above ISRF Project, the Lessee has to put up the required facilities in the land and water areas earmarked for the project (Project Site) at W/Island and it has been agreed between the Lessor and the Lessee, that the Lessor shall grant to the Lessee the above Project Site.
NOW THIS DEED WITNESSETH AS FOLLOWS:-

That the Lessor does in consideration of the Upfront Fee paid as stated hereunder and rent to be paid as herein referred and other terms and conditions on the part of the Lessee to be observed, hereby grants to the Lessee, a Lease of:

(a) ALL THAT piece of land containing by admeasurement

.............................. or thereabouts; and

(b) ALL THAT piece of adjoining water body containing by admeasurement

.............................. or thereabouts,

situated at Willingdon Island, which pieces of land and water areas are more particularly described in the schedule hereunder written and for greater clarity, delineated with the boundaries thereof on the plan annexed hereto (hereinafter called the "Leased Premises") TO HOLD the same for the ISRF Project under the Project Agreement, for the term of 30 years from the ...... day of ......, subject to the following conditions:-

I.

The Lessee shall pay the Lessor during the said term as yearly Lease rent clear of all deductions Rs......... (Rupees.............................only) (corresponding to the base Lease rent @ Rs. ______ per hectare per annum for the land area and @ Rs. ______ per hectare per annum for the water area, for the base year______) with 2% annual increment in the Lease rent.

a) The base Lease rent will undergo upward revision after every block of five (5) years based on the then existing Scale of Rates.

b) The Lessee has paid the Lessor as Upfront Fee for the Lease of the land and water areas indicated hereinbefore, an amount of Rs.......... (Rupees.............................only), the said Upfront Fee being non-refundable under any circumstance.

c) The Lessee has deposited with the Lessor as Security Deposit towards rent an amount of Rs.........(Rupees.............................only)
(the receipt of which the Lessor hereby acknowledges) adjustable in terms of the provisions of Sub-clause (a) above, which will be replenished to the extent of annual enhancement in the Lease rent.

d) The Lessee shall pay the Lessor the said rent in two half-yearly instalments, one, on or before the 30th day of September and the other, on the 31st day of March every year for the period April to September and October to March respectively and proportionately if the period in question is not a full half-year.

e) If the Lessee defaults in payment of the rent any time, necessary adjustments may be made by the Lessor from the amount in deposit and the Lessee shall make up the corresponding deficit in the deposit. The Lessee shall also pay towards Security Deposit referred to above, the differential amount in rent, consequent on the revision of base Lease rent provided herein. The security deposit so paid shall be refundable without interest on the termination/expiry of the Lease.

f) The Lessee shall from time to time and at all times during the said term pay and discharge all rates, taxes, charges, and assessments of every description now subsisting, excluding arrears if any, accrued before the .........................(viz., the date of commencement of the term of the Lease) or which may at any time hereafter during the said term be imposed, charged or assessed upon the said premises hereby demised or the building to be erected thereon, whether it be payable by the Lessor or the Lessee.

g) The Lessee shall be bound to pay interest on all overdue payments from the date when the same becomes due at the rate as specified in the Scale of Rates for the time being in force and as revised, subject to a minimum of Rs.100/- (Rupees one hundred only) it being made clear that the liability for payment of interest shall not affect the other rights accruing to the Lessor on account of such defaults on the part of the Lessee.

h) If the Lessee makes default in payment of the Lease rent, sub-Lease levy, electricity & water charges, cargo and vessels related charges or any other dues to the Lessor and/or interest as provided hereinafter, the Lessor shall be entitled to revoke this agreement and cancel the Lease forthwith. The Lessee shall thereupon forfeit all his/its rights thereunder and shall remain liable for any sum then due by the Lessee and also for any loss, which may be caused to the Lessor by reasons of such default.
i) The Lessor also reserves the right to disconnect electricity & water connection and stop all port related services to the Lessee in the event of non-payment of any of the dues as stated above and the Lessee shall be solely responsible for any loss or damage arising out of this.

j) Notwithstanding the above, this Lease Deed shall stand terminated with the determination/termination of the "Project Agreement" referred to hereinabove.

2.

a) All plans for the development of Leased property shall be got vetted by the Competent Authority of Civil Engineering Department of the Lessor.

b) The Lessee shall not at any time without previous consent in writing of the Lessor, erect or suffer to be erected on any part of the premises any building other than and except the buildings/structures as approved by the Chief Engineer of the Lessor and existing at the time of transfer or make any alteration in the plan or elevation of the said building. The Lessor shall further see that the buildings put-up are in reasonable conformity with the buildings already built on Willingdon Island in elevation, style of constructions and materials used. The Lessee shall also obtain such other approvals/permissions as are statutorily required for the construction of such buildings.

c) The Lessee shall use the said Leased Premises for construction of building(s)/structure(s)........ for the purpose for which, the Leased Premises has been Leased, unless otherwise approved by the Lessor and shall not make any unnecessary excavation or remove or appropriate any minerals, mineral substances of any description, sand or clay, from the said Leased Premises. Any such materials obtained from the site should be placed or disposed of as directed by the Chief Engineer of the Lessor or his/its authorised representative

d) Building/structure(s) erected on the Leased Premises shall not be occupied until a formal order of allotment is issued by the Lessor.

e) If the Lessee has completed the construction of the building/structure(s) as provided herein within the stipulated period:
i. The Lessee shall have the liberty to use the said Leased Premises for purposes connected with his/its trade or business.

ii. It is made clear that the Lessee should utilise the maximum permissible area of the Leased Premises for the development of International Ship Repair facility (ISRF) and the Lessor reserves the right to repossess without any claim to compensation whatsoever, the whole or part of the portion left unutilised and use the same in any manner deemed expedient by the Lessor. In case there is any dispute regarding the extent of Leased Premises that should be utilised for the construction or the extent to be repossessed, the decision of the Board of the Lessor shall be final and binding.

f) The Lessee shall not at any time without the previous consent in writing of the Lessor erect or suffer to be erected on the said Leased Premises any building(s)/structure(s) nor permit the same to be used for any purpose other than that specified above. In case Lessee fails to do so the Lease shall be liable for termination.

g) The Lessee shall obtain all statutory and mandatory clearances as may be required under law including Environmental Clearances from appropriate authorities, before execution/commissioning of the project and from time to time thereafter.

h) The Lessee shall perform all its activities in accordance with all Port Regulations/directions and follow all safety norms as may be prescribed by the competent/statutory authorities from time to time and the same are deemed to be a part of the Lease Deed and shall be binding on the Lessee.

i) The Lease shall be governed by provisions of the Major Port Trust Act, 1963, Indian Ports Act, 1908 and all directives issued by the Government of India from time to time. It shall be binding upon the Lessee to comply with all such directives issued by the Government of India and communicated by the Lessor.

j) The Lessee shall at all times during the subsistence of the Lease maintain the premises in good sanitary condition and repair and keep the
building(s)/structure(s) erected and/or to be erected on the said Leased Premises in good and tenantable condition.

k) If, on request in writing by the Lessee, the Lessor removes/relays/reroutes or causes removal/relay/re-routing of any utility services such as underground or overhead electric lines, telegraphic or telephonic lines, water pipelines, drains etc., from the said Leased Premises, the Lessee shall pay the Lessor the cost of such removal within fourteen days from the date on which demand in writing for such cost is served on the Lessee.

l) The Lessee will pay for any damage done by him/his/his/its employees/workers or agents during the aforesaid period to any property of the Lessor on the said Leased Premises or land and water areas adjacent thereto.

m) The Lessor shall not be responsible to the Lessee or any other person[s] for any loss or damage or injury to life or property arising directly or indirectly from the use of the Leased Premises and the activities the Lessee is engaged in on the said Leased Premises during the period of Lease. The Lessee shall also indemnify the Lessor against all loss or damage or injury to life or property of any one including third party or claims and causes thereof arising directly or indirectly from the use of the Leased Premises and the activities the Lessee is engaged in on the said Leased Premises during the period of Lease.

n) Hoarding or advertisement board shall not be erected in the Leased premises without the written permission of the Lessor.

> 3.

a) The Lessee shall not assign, transfer or underlet the demised Leased Premises or the building(s)/structure(s) erected or to be erected thereon or any part thereof without the consent in writing of the Lessor. Upon assignment, transfer or sub-Lease of the Leased Premises demised or any part thereof or of the building to be erected thereon or any part thereof with the consent of the Lessor in writing and at any rate within one month of the date of such assignment, transfer or sublease, the Lessee shall deliver a notice of such assignment, transfer or sub-lease to the Lessor setting forth the names and descriptions of the parties thereto and particulars and effect thereof.
b) The Lessee shall be liable to pay such charges, fees or levy as are prescribed from time to time on account of such assignment, transfer or sub-lease as the case may be. In the event of the Lessee effecting any such sub-lease, without the prior consent in writing of the Lessor for the same, it shall be open to the Lessor to approve of the same if a request therefor is made, provided, the Lessee pays the Lessor during the subsistence of such unauthorised assignment, transfer or sub-Lease additional amount as detailed below:

i. Where consent has already been granted by the Lessor for the sub-lease as above, and the delay is only in respect of the submission of the application for renewal of the same, the amount payable in the case of delay not exceeding two months, shall be equivalent to interest at 20% of the levy payable in respect of the sub-lease levy for the period of such delay and where it exceeds 2 months, at 40% of sub-lease levy for the total period of such delay.

ii. In the case of unauthorised sub-lease, the Lessee shall be liable to pay a penalty at the rate of three times the sub-lease levy.

Provided, however, that the Lessor, if it is satisfied at its absolute discretion that such delay in filing the application for consent or renewal of consent for such sub-lease was for circumstances beyond the control of the Lessee, the Lessor may grant remission of a portion of the amount payable as above.

c) It is also made clear that the above provision shall not be construed as a waiver of any of the rights of the Lessor under the Lease Deed including the right to terminate the Lease for unauthorised sub-letting, which the Lessor is entitled to enforce against the Lessee.

d) Any sub-letting, assignment without the prior approval of the authority, which sanctioned the Lease, shall make Lease liable for cancellation. The Lessees shall also be liable to pay any levy or charges to the Lessor for permitting the sub-lease as mentioned above at the rates prescribed by the Lessor from time to time.

e) The Lessee shall not create any charge in respect of the leasehold interest relating to the property described in the schedule hereto vested in it as well as the building constructed on the same without the prior written consent of the Lessor, it being clearly understood that such consent will not be granted, except in the case of charges in favour of commercial banks and State and Central financial institutions.

\[Signature\]

\[Signature\]

N.V. Suresh Babu
General Manager
Cochin Shipyards Limited
Kochi / Kochi - 682 015

\[Signature\]

CHIEF ENGINEER.
Kochi Port Trust
COCHIN PORT TRUST
a) The Lessee shall be entitled to surrender the whole or a part of the Leased Premises before the expiration of the said term of 30 years, provided the Lessee shall give six months' notice or pay six months' rent in lieu thereof. In cases where the whole or a part of Leased Premises is surrendered at the instance of the Lessor, the Lessee shall not be liable to give notice or rent in lieu thereof as above. Rent will, however, be payable for the period up to the date of surrender of the Leased Premises.

b) The Lessee shall utilise the maximum permissible area of the Leased Premises for the development of facilities for the International Ship Repair Facility and the Lessor reserves the right to re-possess without any liability for payment of compensation, the whole or part of the portion of the Leased Premises left unutilised and use the same in any manner deemed expedient by the Lessor.

5.

a) It is agreed between the parties that notwithstanding any other provisions herein contained, the Lessor shall be entitled to cancel the Lease either in respect of the whole Leased Premises or any part thereof, with the improvements thereon, if any, before the expiration of the period specified herein if such Leased Premises or part thereof, is required for Port's own purposes and in that event, the Lessee shall be entitled to corresponding remission of the Lease Rent where applicable and compensation payable will be worked out by the Chief Engineer, Cochin Port Trust in accordance with the following formula, in respect of the buildings and fixtures, if any, which at any time during the currency of the Lease may have been erected or affixed by the Lessee upon the said Leased Premises, provided, however, that in case of any dispute between the parties hereto regarding the rate or quantum of compensation payable under the aforesaid provision, the decision of the Board of the Lessor shall be final and binding.

b) At the time of termination of the Lease on the expiry of the Term thereof, or an earlier termination thereof, as provided herein, if the Lessor requires the buildings or other fixtures erected on the land for its own use or otherwise, the Lessor shall be entitled to take over the same by paying compensation in respect of the same to the Lessee on the basis of the following formula, provided however that in case of any dispute between the parties thereto...
regarding the rate or quantum of compensation payable under the aforesaid provision, the decision of the Board of the Lessor shall be final and binding.

FORMULA PRESCRIBED FOR PAYMENT OF COMPENSATION

\[ DV = R + \frac{(E - R)(L - A)}{L} \]

\[ DV = \text{DEPRECIATED VALUE} \]

\[ E = \text{PRESENT DAY COST} \]

\[ R = 10\% \text{ OF } E. \]

\[ L = \text{ASSESSED LIFE} \]

\[ A = \text{PRESENT AGE.} \]

6.

a) AND THE Lessor hereby agrees that the Lessees observing all the aforesaid conditions, shall peaceably hold and enjoy the said Leased Premises during the said term without any interruption by the Lessor, provided that upon any breach or non-observance by the Lessees or by a person claiming through or under the Lessees of any of the aforesaid covenants or conditions the Lessor may, notwithstanding the waiver of any previous cause or right of re-entry upon the said premises and re-possess it, as if this Lease had not been granted and thereupon this demise shall absolutely determine and the Lessee shall be entitled within three calendar months from the date of such re-entry to remove all building and fixtures which at any time during the currency of this Lease shall have been erected or affixed by the Lessee upon the said Leased Premises without any claim to any compensation whatsoever.
b) And the Lessor doth hereby further agree that before the expiration of the said term of 30 years, the Lessee shall be entitled to remove all or any building and fixtures which at any time during the currency of this Lease shall have been erected or fixed by the Lessee upon the said Leased Premises without any claim to any compensation whatever, and surrender the Leased Premises to the Lessor on giving six months' notice of the same or six month's rent at the then prevailing rate, in lieu thereof.

c) It is distinctly agreed that the Lessee shall not claim or be entitled to any compensation whatever except as regards buildings and fixtures not removed by the Lessees from the said Leased Premises in compliance with a request in writing by the Lessor.

d) It is also distinctly agreed that the Lessee shall deliver up the demised premises at the expiration or sooner determination of tenancy restored to its former condition.

The Lessor shall be entitled to allow any public utility services such as electric posts, or cables, water supply, sewer lines, drains, sanitary lines or telegraph post or cables, to be taken through the said Leased Premises and the Lessees shall not be entitled to any compensation in respect of the same, including compensation, if any, relating to the space occupied by such public utility services. Provided that while allowing such public utility services to be taken through the said Leased Premises, only the minimum possible hindrance shall be caused to other structures in the said Leased Premises.

e) It is further agreed that if the Lessee does not remove the building and fixtures as allowed above or restore the demised premises to its original conditions as required by above within the time prescribed in the said clauses the Lessor shall have the right to remove the said building and fixtures and restore the demised premises to its original conditions and the cost of such removal and restoration shall be realised by the Lessor by the sale of materials recovered and the balance, if any, from the Lessee. In case there is any amount left from the sale price of the materials so removed, after realisation of the cost of removal and restoration preferred to herein, the same may be utilised by the Lessor for recovery of any other amounts that may due to the Lessor from the Lessee.

f) It is also agreed that the terms "the Lessor" and "the Lessee" herein used shall, unless inconsistent with the context will include in the case of the
former his/its successors in office and assigns and in the case of the latter permitted assigns.

7.

Notwithstanding anything contained herebefore, it is expressly agreed and understood that the Lessor shall be entitled to terminate the Lease at the risk and cost of the Lessee in the event of violation if any, of the provisions hereof by the Lessee which is not rectified with in a period of ninety (90) days of a notice in this behalf by the Lessor.

8.

a) The Schedule above referred to:

Registration District : Ernakulam
Registration Sub District :
Taluk :
Firka :
Village :
Desom :
Survey No. :
Sub Division No. :

Land Area (in cents/ acres/hectares) :

Water Area (in cents/acres/hectares) :

Limit

[Signature]
N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

[Signature]
V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

[Signature]
CHIEF ENGINEER
COCHIN PORT TRUST

135
Tenure: Lease

b) DESCRIPTION OF BOUNDARIES:

All the piece and parcel of Leased Premises situated on Willingdon Island.

South:

West:

North:

East:

The plan above referred to is appended.

In witness whereof the common seal of the Board of Trustees of the Port of Cochin has been affixed and the ___ of the Board of Trustees of the Port of Cochin for and on behalf of the Trustees of the Port of Cochin has signed and the Lesses have by their duly constituted attorney .......... executed those presents on the day and year first above written.

The common seal of the Board of Trustees of the Port of Cochin has been affixed and the ___ of the Cochin Port Trust Board

[Signatures]

COCHIN SHIPYARD LIMITED
Kochi - 682 015

CHIEF ENGINEER

COCHIN PORT TRUST
for and on behalf of the Board of Trustees of the
Port of Cochin has signed in the presence of:
Witness (1)

(2)
The duly constituted attorney of the Lessee, in the presence of:
Witness (1)

(2)
The document is typewritten:
The Document is prepared by:
Correction and interlineations:

IN WITNESS WHEREOF, THE LESSOR and the LESSEE have set their hands
to this deed on the day and year first above written.

LESSEE

LESSOR

[Signatures]

[Company Name and Details]

[Signatures]

[Company Name and Details]
ANNEXURE – XIV

TERMS AND CONDITIONS TO BE INCLUDED IN THE AGREEMENT BETWEEN CoPT, DEVELOPER AND THE MODALITY TRADE UNIONS AT CoPT REGARDING EMPLOYMENT OF CoPT’S EMPLOYEES FOR THE PROJECT

[Ref. Clause 1.7 and Appendix -3]

1) It is agreed by the Cochin Port Trust, Developer and the Unions that the Port employees presently deployed at the Workshop Complex including the Dry Dock and Slipway (Workshop) and described specifically by designations, scale of pay and number of posts as per Annexure – I attached to this Agreement shall continue to work in the Workshop under the Developer.

2) It is agreed by the Cochin Port Trust, Developer and the Unions that the services of the employees mentioned in clause (1) above, under the Developer, shall be regulated on ‘Deputation’ basis for the period the Developer operates the Workshop. For the purpose of this Agreement, ‘deputation’ means transfer of services of the said employees to Developer subject to terms and conditions mutually agreed herewith. The said employees will not be given option in this regard and they will not be eligible for any deputation allowances.

3) It is agreed by the Port Trust, Developer and the Unions that the service conditions of the employees under deputation shall not be less favourable to what they would have been enjoying had they continued in the Workshop when it is operated by the Port Trust.

4) It is agreed by the Port Trust, Developer and the Unions that the pay scales, other financial benefits and privileges which are prevailing in the Port, and being enjoyed by the said employees at present including payment of PLR/PLI as applicable to Port and Dock workers at National level and LTC, shall continue to be extended to the employees during their deputation to the Developer.

Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi / Kochi - 582 015

CHIEF ENGINEER
COCHIN PORT TRUST
5) It is agreed by the Port Trust, Developer and the Unions that the services of the Port employees under deputation with the Developer shall be treated as continuous Port service for all benefits, privileges, including terminal benefits, pension and Family pension.

6) It is agreed by the Port Trust, Developer and the Unions that the general revision of pay and other financial benefits including other liberalized service benefits extended to other Port employees from time to time shall be extended to the employees on deputation with the Developer also as per their eligibility.

7) It is agreed by the Port Trust, Developer and the Unions that the employees under deputation with the Developer and their eligible dependents shall be entitled to avail medical facilities and hospital facilities as at present with referral facilities.

8) It is agreed by the Port Trust, Developer and the Unions that the employees under deputation shall be provided with residential quarters facility as per their entitlement as at present.

9) It is agreed by the Port Trust, Developer and the Unions that the employees working under deputation with the Developer shall be extended with the facility of availing of interest bearing advances like Vehicle advance, House Building Advance, Computer Advance, etc., and also non-interest bearing advance like Festival advance, Medical Advance, etc., being enjoyed by them as per the terms and conditions applicable to the Port employees at present and in case liberalized subsequently.

10) It is agreed by the Port Trust, Developer and the Unions that no employee described and included in the Annexure-I attached to this Agreement shall be retrenched by the Developer.

11) It is agreed by the Developer that they, being the paymaster of the transferred employees shall not have the right to terminate or transfer those employees under deputation with them, to any other sister organization.

12) It is agreed by the Port Trust, Developer and the Unions that the service lien of the deputed employees during the period of their service with
Developer shall be maintained with the Port Trust with continued port service.

13) It is agreed by the Port Trust, Developer and the Unions that all the statutory provisions relating to industrial relations, trade union rights, collective bargaining rights, change in service conditions etc., as governed by statutes and as amended from time to time, shall be honoured and adhered to by the Developer in all respects and the benefits extended to the employees under deputation, and there shall be no curtailment of the entitled rights under any circumstances.

14) It is agreed by the Port Management and the Developer that subject to security requirements, they shall permit the Workshop/ISRF users to engage their employees at their own cost for project related work.

15) It is agreed that the promotional benefits under the existing hierarchy to the employees of the Workshop transferred to the Developer shall continue to be protected as per the existing practice and procedures. However, consequent on the promotions, in case a transfer from Workshop is required, in such a circumstance, the concerned employees shall be retained at Workshop, but provided with promotion and its financial benefits. Employees of the Port working in other sections and working outside Workshop in the respective hierarchy and eligible for promotion shall also be provided with consequential promotional avenues with financial and other benefits without affecting a transfer, if warranted, to Workshop.

16) It is agreed that on account of transfer of Workshop to Developer any admissible benefits or privileges and service conditions of the employees including employment opportunity in other sections shall not be curtailed or adversely affected.

[Signature and stamp]
ANNEXURE - XV

SUBSTITUTION AGREEMENT

[Ref. Clause 4.28]

THIS SUBSTITUTION AGREEMENT is entered into on this the ______ day of ________
(Month) ---- (Year) at ------------------.

AMONGST,

THE COCHIN PORT TRUST, a body corporate constituted under the provisions of the Major
Port Trusts Act, 1963 and having its Administrative Office at Cochin Port Trust, Willingdon
Island, Cochin – 682 009 (hereinafter referred to as “the Employer”) which expression shall,
unless repugnant to the context or meaning thereof include its administrators, successors or
assigns.

AND

M/s. XXXX Limited, a company incorporated under the provisions of the Companies Act, 1956
and having its Registered Office at ------------------------ hereinafter referred to as “the Developer”
(which expression shall unless repugnant to the context or meaning thereof include its successors
and assigns),

AND

YYYY (Financial Institution/ Bank) having its Registered Office/Head Office at ------------------------
------------------------ hereinafter referred to as “the Lender”.

OR

ZZZZ (Financial Institution/Bank) having its Registered Office/Head Office at------------------------
------------------------ acting for and on behalf of the Lenders listed in Schedule A hereto
(hereinafter referred as “the Lender’s Representative”.

WHEREAS,

a) The Employer for implementing a Project envisaging ‘Development and Operation of an
International Ship Repair Facility at W/Island with Private Sector Participation’ (hereinafter
referred to as “the Project”), has by the Agreement dated ------- entered into between the
Employer and the Developer (hereinafter referred to as “the Project Agreement”) has awarded
granted the Project to the Developer in terms of the provisions set out hereunder;

_________________________  ____________________________
V. KALA                                   126
Company Secretary                          141
Cochin Shipyard Limited
Kochi - 682 015                          CHIEF ENGINEER

_________________________  ____________________________
N V Suresh Babu                             15
General Manager                            18
Cochin Shipyard Limited
Kochi - 682 015
b) With a view to facilitate financing of the Project by the Developer, the Employer and the
Developer have agreed to enter into Substitution Agreement being these presents with the
Lender/s/Lenders’ Representative.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS FOLLOWS:

ARTICLE 1

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following words and expressions shall, unless repugnant to the context or
meaning thereof, have the meaning hereafter respectively assigned to them.

“Agreement” means this agreement and includes any amendment or modification made to this
agreement in accordance with the provisions hereof.

“Financial Assistance” means the financial assistance set forth in Schedule A hereto, agreed to
be provided by the Lender(s) to the Developer for financing the Project.

“Financial Default” means occurrence of a material breach of the terms and conditions of the
Financing Documents or a continuous default in servicing debt thereunder by the Developer for a
minimum period of 3 (three) months.

“Lender(s)” means the financial institutions/banks whose name(s) and addresses are set out in
Schedule A hereto and shall include the financial institutions/banks who may replace the same
by way of a refinance/sahrogation, as may be notified by the Lenders’ Representative to the
Developer, from time to time.

“Residual Contract Period” means the period which shall be the remainder of the Contract
Period computed from the date of issuance of Termination Notice in terms of Article 16.1 of the
Project Agreement.

“Selectee” means a Person proposed by the Lender/Lender’s Representative pursuant to this
Agreement and approved by the Employer for substituting the Developer for the residual
Contract Period, in accordance with the provisions of this Agreement.

“Suspension Period” means the Termination Period as defined in Article 16 of the Agreement
at the end of which all formalities connected with substitution of the Developer by the Selectee
including handing over of Project

Site/Project Facilities in accordance with this Agreement are completed and the substitution has
become effective.

V. Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

V. Kala
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

CHIEF ENGINEER
COCHIN PORT TRUST
Capitalized terms used in this Agreement but not defined shall have the meaning assigned to them respectively in the Agreement.

ARTICLE 2

2 ASSIGNMENT

2.1 Assignment of rights and title

The Developer hereby agrees to assign its rights, title and interest in the Contract to, and in favour of, the Lenders pursuant to and in accordance with the provisions of this Agreement and the Agreement by way of security in respect of financing by the Lenders under the Financing Documents.

ARTICLE 3

3 SUBSTITUTION OF THE DEVELOPER

3.1 Rights of substitution

3.1.1 Pursuant to the rights, title and interest assigned under Clause 2.1, the Lenders shall be entitled to substitute the Developer by a Selectee under and in accordance with the provisions of this Agreement and the Project Agreement.

3.1.2 The Employer hereby agrees to substitute the Developer by endorsement on the Project Agreement in favour of the Selectee selected by the Lenders in accordance with this Agreement (For the avoidance of doubt, the Lenders shall not be entitled to operate and maintain the Project Project Facilities and Services).

3.2 Substitution upon occurrence of Financial Default

3.2.1 Upon occurrence of a Financial Default, the Lenders/Lenders' Representative may issue a notice to the Developer (the “Notice of Financial Default”) along with particulars thereof, and send a copy to the Employer for its information and record. A Notice of Financial Default under this Clause 3 shall be conclusive evidence of such Financial Default and it shall be final and binding upon the Developer for the purposes of this Agreement.

3.2.2 Upon issue of a Notice of Financial Default hereunder, the Lenders/Lenders’ Representative may, without prejudice to any of its rights or remedies under this Agreement or the Financing Documents, substitute the Developer by a Selectee in accordance with the provisions of this Agreement.

3.2.3 At any time after the Lenders/Lenders’ Representative has issued a Notice of Financial Default, it may by notice require the Employer to suspend all the rights of the Developer and undertake the operation and maintenance of
the Project/Project Facilities and Services, and upon receipt of such notice, the Employer shall suspend the rights of the Developer. Provided, such suspension shall be revoked upon substitution of the Developer by a Selectee, and in the event such substitution is not completed within 180 (one hundred and eighty) Days from the date of such suspension, the Employer may terminate the Project Agreement forthwith by issuing a Termination Notice in accordance with the provisions of the Agreement.

Agreement; provided that upon written request from the Lenders/Lenders’ Representative and the Developer, the Employer may extend the aforesaid period of 180 (one hundred and eighty) Days by a period not exceeding 90 (ninety) Days.

3.3 Substitution upon occurrence of Developer Default:

3.3.1 Upon occurrence of a Developer Default, the Employer shall by a notice inform the Lenders/Lenders’ Representative of its intention to issue a Termination Notice and grant 15 (fifteen) Days time to the Lenders/Lenders’ Representative to make a representation, stating the intention to substitute the Developer by a Selectee.

3.3.2 In the event that the Lenders/Lenders’ Representative makes a representation to the Employer within the period of 15 (fifteen) Days specified in Clause 3.3.1, stating that it intends to substitute the Developer by a Selectee, the Lenders/Lenders’ Representative shall be entitled to undertake and complete the substitution of the Developer by a Selectee in accordance with the provisions of this Agreement within a period of 180 (one hundred and eighty) Days from the date of such representation, and the Employer shall either withhold termination and/or suspend the rights of the Developer for the aforesaid period of 180 (one hundred and eighty) Days; provided that upon written request from the Lenders/Lenders’ Representative and the Developer, the Employer shall extend the aforesaid period of 180 (one hundred and eighty) Days by a period not exceeding 90 (ninety) Days.

3.4 Procedure for substitution:

3.4.1 The Employer and the Developer hereby agree that on or after the date of Notice of Financial Default or the date of representation to the Employer under Clause 3.3.2, as the case may be, the Lenders/Lenders’ Representative may, without prejudice to any of the other rights or remedies of the Lenders, invite, negotiate and procure offers, either by private negotiations or public auction or tenders from potential Selectees for substituting the Developer and taking on the rights and obligations under the Project Agreement.

3.4.2 To be eligible for substitution in place of the Developer, the Selectee shall be required to fulfill the eligibility criteria that were laid down by the Employer for shortlisting the bidders for award of the Project; provided that the Lenders/Lenders’ Representative may represent to the Employer that all or any of such criteria may be waived in the interest of the Project, and if the Employer determines that such waiver shall not have any material adverse effect on the Project, it may waive all or any of such eligibility criteria.

3.4.3 Upon selection of a Selectee, the Lenders/Lenders’ Representative shall request the Employer to:

a) acede to transfer to the Selectee the rights and obligations of the Developer under the Concession Agreement; and b) novate the Concession Agreement to the Selectee such that the Selectee replaces the Developer and becomes entitled/obligated to all the rights and obligations of the Developer, for the residual Concession Period.
3.4.4 If the Employer has any objection to the transfer of Concession in favour of the Selectee in accordance with this Agreement, it shall within 7 (seven) Days from the date of proposal made by the Lenders/Lenders' Representative, give a reasoned order after hearing the Lenders/Lenders' Representative. If no such objection is raised by the Employer, the Selectee shall be deemed to have been accepted. The Employer thereupon shall novate the Concession Agreement within 7 (seven) Days of its acceptance/deemed acceptance of the Selectee; provided that in the event of such objection by the Employer, the Lenders' Representative may propose another Selectee whereupon the procedure set forth in this Clause 3.4 shall be followed for substitution of such Selectee in place of the Developer.

3.5 Selection to be binding
The decision of the Lenders/Lenders’ Representative and the Employer in election of the Nominated Company shall be final and binding on the Developer. The Developer irrevocably agrees and waives any right to challenge the actions of the Lenders’ Representative or the Lenders or the Employer taken pursuant to this Agreement including the transfer/novation of the Concession Agreement in favour of the Selectee. The Developer agrees and confirms that it shall not have any right to seek revaluation of assets comprised in the Project or the Developer’s shares. It is hereby acknowledged by the Parties that the rights of the Lenders/Lenders’ Representative are irrevocable and shall not be contested in any proceedings before any court or Employer and the Developer shall have no right or remedy to prevent, obstruct or restrain the Employer or the Lenders/Lenders’ Representative from effecting or causing the transfer by substitution and endorsement of the Concession as requested by the Lenders/Lenders’ Representative.

ARTICLE 4

4 TRANSACTION DOCUMENTS
4.1 Substitution of Selectee in Transaction Documents
The Developer shall ensure and procure that each Transaction Documents contains provisions that entitle the Selectee to step into such Transaction Documents, in its discretion, in place and substitution of the Developer in the event of such Selectee assumption of the liabilities and obligations of the Developer under the Concession Agreement.

ARTICLE 5

5 TERMINATION OF CONCESSION AGREEMENT
5.1 Termination upon occurrence of Financial Default
At any time after issue of a Notice of Financial Default, the Lenders/Lenders’ Representative may by a notice in writing require the Employer to terminate the Concession Agreement forthwith, and upon receipt of such notice, the Employer shall terminate the Concession in accordance with the Agreement.

5.2 Termination when no Selectee is selected
In the event that no Selectee acceptable to the Employer is selected and recommended by the Lenders/Lenders’ Representative within the period of 180 (one hundred and eighty) Days or any
extension thereof as set forth in Clause 3.3.2, the Employer may terminate the Concession Agreement forthwith in accordance with the provisions thereof.

5.3 Realisation of Debt Due

The Employer and the Developer hereby acknowledge and agree that, without prejudice to their any other right or remedy, the Lenders are entitled to receive from the Developer, without any further reference to or consent of the Developer, the Debt Due upon termination of the Concession Agreement.

ARTICLE 6

6 DURATION OF THE AGREEMENT

6.1 Duration of the Agreement
6.1.1 This Agreement shall come into force from the date hereof and shall expire at the earliest to occur of the following events:
   a) Termination of the Agreement; or b) no sum remains to be advanced, or is outstanding to the Lenders, under the Financing Documents.

ARTICLE 7

7 INDEMNITY

7.1 General indemnity
7.1.1 The Developer will indemnify, defend and hold the Employer and the Lenders/Lenders’ Representative harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense of whatever kind and nature arising out of any breach by the Developer of any of its obligations under this Agreement or on account of failure of the Developer to comply with Applicable Laws and Applicable Permits.

7.1.2 The Employer will indemnify, defend and hold the Developer harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Employer to fulfil any of its obligations under this Agreement, materially and adversely affecting the performance of the Developer’s obligations under the Concession Agreement or this Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of its lawful functions by the Employer.

7.1.3 The Lenders/Lenders’ Representative will indemnify, defend and hold the Developer harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Lenders/Lenders’ Representative to fulfil its obligations under this Agreement, materially and adversely affecting the performance of the Developer’s obligations under the Concession Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of their lawful functions by the Lenders/Lenders’ Representative.

[Signatures and seals]
7.2 Notice and contest of claims
In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under Clause 7.1 or in respect of which it is entitled to reimbursement (the "Indemnified Party"), it shall notify the other Party responsible for indemnifying such claim hereunder (the "Indemnifying Party") within 15 (fifteen) Days of receipt of the claim and shall not settle or pay the claim without the prior approval of the Indemnifying Party, such approval not to be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same. The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.

ARTICLE 8
8 GENERAL
8.1 General
i. The Parties hereto expressly represent and warrant that they are duly empowered to sign and execute this Agreement.
ii. Notices under this Agreement shall be sent to the Addresses first hereinabove mentioned. Any change in the address of any Party shall be duly notified by registered post acknowledgement due and delivered to the other parties.
iii. The expressions "Employer", the "Developer", the "Lender" and the "Lenders' Representative", "Selectee" herein used shall unless there be anything repugnant to the subject or context include the respective successors and assigns.
iv. This Agreement shall not be affected by reorganisation of any Lender, the Developer or Employer, "Selectee" and the successor in interest of the Lender or Employer shall have the benefit of this Agreement.
v. Failing amicable settlement and/or settlement with the assistance of Expert, the dispute or differences or claims as the case may be, shall be finally settled by binding arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be by a panel of three Arbitrators, one each to be appointed by the Employer and the Lenders/Lender’s Representative and the third to be appointed by the two arbitrators. If any Party entitled to do so, fails to appoint a second Arbitrator within 30 (thirty) Days of from the receipt of the request for such appointment, then the single Arbitrator appointed in accordance with this provision shall adjudicate the disputes as Sole Arbitrator.
vii. This Agreement and rights and obligations of the Parties hereunder shall remain in full force and effect pending the Award in any arbitration proceeding hereunder. The courts having territorial jurisdiction over the Project alone shall have jurisdiction over all matters arising out of or relating to the arbitration agreement contained herein or proceedings arising out of or relating to the arbitration proceedings thereunder.
viii. The consultation, recommendation or approval of the Lenders' Representative under this Agreement shall always be deemed as consultation, recommendation or approval of every concerned Lender and each such Lender shall be bound by the same.
vii. This Agreement shall be in addition to and shall not be in derogation of the terms of the Financing Documents.
ix. The Developer agrees and acknowledges that it shall not be necessary for the Lender(s) or the Lenders' Representative to enforce or exhaust any other remedy available to them before invoking the provisions of this Agreement.

x. No amendment, variation or modification to this Agreement shall be valid and effectual unless made in writing and executed by the duly authorized representatives of all the Parties hereto.

xi. All stamp duties or other imposts and charges as are applicable on this Agreement or on amendment of the Agreement or execution of fresh Concession Agreement for the purpose of substitution as aforesaid, irrespective of the Lenders making such payment for the time being, shall be borne by and be to the account of the Developer.

xii. The Parties hereby expressly agree that for the purpose of giving full and proper effect to this Agreement, the Concession Agreement and this Agreement shall be read together and construed harmoniously. The terms of this Agreement shall prevail in the event of any inconsistency with the Agreement.

SCHEDULE A

PARTICULARS OF FINANCIAL ASSISTANCE:

Name and Address of the Nature and Amount of Financing Lender Assistance

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET THEIR HANDS HEREUNTO ON THE DAY, MONTH AND YEAR HEREINABOVE MENTIONED.

SIGNED AND DELIVERED ON BEHALF OF ____________________________ LIMITED

BY

N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

V. Kala
Company Secretary
Cochin Shipyard Limited
Kochi - 682

CHIEF ENGINEER
COCHIN PORT TRUST

133
TENDER FOR

DEVELOPMENT AND OPERATION OF AN INTERNATIONAL
SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR
PARTICIPATION

(Tender No. CP/T-1589/2012-C)

VOLUME II: PRICE BID

CHIEF ENGINEER’S OFFICE,
COCHIN PORT TRUST,
COCHIN- 682 009.

PRICE: INR 50,000/-

MAY 2012
# PRICE BID

**DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION**  
(Ref. Clause 3.2.4 and 4.21)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description of work</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td></td>
<td><strong>Upfront Fee (UF)</strong> which the Bidder undertakes to pay to CoPT in consideration of the Port Assets to be transferred to the Bidder/Developer.</td>
<td><strong>In Figures</strong></td>
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<td><strong>II.</strong></td>
<td><strong>Guaranteed Amount (GA)</strong> which the Bidder undertakes to pay per annum to CoPT during the Contract Period of 30 years:</td>
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<td>1st year</td>
<td><strong>In Figures</strong></td>
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<td>3rd Year</td>
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<td><strong>In Figures</strong></td>
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<td>29th Year</td>
<td><strong>In Figures</strong></td>
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<td>30th Year</td>
<td><strong>In Figures</strong></td>
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</tbody>
</table>

**Note:** In addition to the above payments, the Developer shall pay the Upfront payment of INR 12.92 Crores and the Annual Lease Rentals for the Leased Premises as indicated in Clause 4.21. of this Bid Document.

**Date:**

**SIGNATURE AND NAME OF THE BIDDER**

Place:

(With seal)

---

**V.KALA**  
Company Secretary  
Cochin Shipyard Limited  
Kochi - 682 015

---

**CHIEF ENGINEER**  
Cochin Port Trust  
COCHIN PORT TRUST

---
No. CP/T-1589/2012-C  Dated: 30/06/2012

To

List Attached

Sir,

Sub: "Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation" - Bid No. CP/T-1589/2012-C.
Ref: Bid Document for the subject work.

As indicated in Clause 3.3 of the Bid Document, a Pre-Bid meeting was held on 14/06/2012 as scheduled. In this connection, please find attached a copy of the "Record Note of the Pre-Bid Meeting held on 14/06/2012" including a statement on Bidders’ Queries and CoPT’S Responses thereto and also a Corrigendum/Addendum No.1 for your reference and necessary action. All the other terms and conditions remain unchanged.

Please note that these documents would form a part of the Bid Documents and are to be duly signed on all pages and submitted in Cover- A2 of the Bid.

Encl.: as above

Yours faithfully,

Sd/-

CHIEF ENGINEER

N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015
COCHIN PORT TRUST

RECORD NOTE OF THE PRE-BID MEETING HELD ON 14-06-2012 IN THE PORT’S CONFERENCE HALL IN CONNECTION WITH THE TENDER FOR “DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION” - BID No. CP/T-1589/2012-C.

List of participants is at Appendix - I.

The meeting started off at 2.30 p.m., with the Chief Engineer welcoming the participants to the meeting and subsequent self introduction by all participants. The CE then explained that earlier, CoPT had invited EoIs for the same project, to assess the market potential/feel of the market. The EOI invitation had evoked a very encouraging response (seven firms had expressed their interest) and so, CoPT has now come up with the global tender, based on which the project would be awarded. The existing ship repair facilities including the Workshop, Dry Dock and Slipway would be handed over to the Bidder along with about 17 hectares of land and 15 hectares of adjoining water area on lease, for development of the facilities. About 286 existing employees who are currently working in these facilities would also be transferred to the selected bidder.

Secretary, CoPT, added that the bidders need not treat this transfer of employees as a liability, since these employees are well qualified, highly skilled and well trained for working in a ship repair facility. Moreover, CoPT has a previous experience in effecting similar employee transfer, viz., for the RGCT operation as part of the the ICTT project. In that case, about 352 employees were taken over by the BOT Operator in 2005 and were transferred back to CoPT in 2011 when the container handling facilities were shifted to Vallarpadom. The bidders can rest assured that there would be no labour disputes/unrests on this account as the ICTT transfer procedure, which was very successful, would be replicated in the case of ISRF also.

Thereafter, the prospective bidders were invited to raise queries, which were discussed in detail. The CE also informed that certain written queries have also been received from Cochin Shipyard Ltd. All the queries along with CoPT’s responses would be officially communicated to the bidders present and it would also hosted in CoPT’s website at the earliest. A statement on all the queries - both written queries received from the bidders and those raised by the bidders during this Pre-Bid meeting- and CoPT’s considered responses thereto is at Appendix-II.

The meeting concluded at 3.30 pm.

[Signatures and stamp]
LIST OF PARTICIPANTS

Cochin Port Trust

1. Sri. G. P. Rai, Chief Engineer
2. Sri. K.G. Nath, FA & CAO
3. Sri. Cyril C. George, Secretary
5. Sri. M. S. Renjith, Chief Mechanical Engineer i/c
6. Sri. P.M. Satheshkumar, Dy. CE-I
7. Sri. Jimmy George, Dy. Traffic Manager
8. Sri. B. Bhagyanath, Dy. Chief Accounts Officer
9. Sri. K. Ramesh, Executive Engineer (M)
10. Smt. E. Rania, Executive Engineer (CP-I)

M/s. KITCO Ltd., Cochin (CoPT’s Consultant)

1. Sri. J. Karthikeyan, Advisor.

Prospective Bidders

1. Dr. Jayakumar, OM Metals Infra Projects Ltd., Mumbai.

Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi / Kochi - 682 015
## TENDER FOR DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION

(Bid No. CP/T-1599/2012-C)

### QUERIES FROM BIDDERS AND CoPT’S RESPONSES THERETO

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Ref. Clause</th>
<th>Bidders’ Queries</th>
<th>CoPT’s Responses</th>
</tr>
</thead>
<tbody>
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<tr>
<td><strong>BIDDER ‘A’</strong></td>
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<tr>
<td>1.</td>
<td></td>
<td>Cochin Port had issued an EOI in October 2011 with the description “Inviting Expression of Interest from reputed entities for establishing an International Ship repair Facility at Cochin Port Trust”. Cochin Shipyard submitted its response to the Port Trust in time. The Port Trust did not inform anything specific on the outcome of this invitation for EOI.</td>
<td>EoIs were invited by CoPT for “Establishing an International Ship Repair Facility at Cochin Port Trust on BOT basis” only to assess the market potential / feel of the market. Global tenders have now been invited for “Development and Operation of an International Ship Repair Facility with Private Sector participation”, in view of the directions from the Ministry of Shipping, to invite bids as per the Govt. Guidelines for Private Sector Participation in the Major Ports issued in 1996”. The Successful Bidder shall be selected as per this tendering process only.</td>
</tr>
<tr>
<td>2.</td>
<td>Cl. 3.6</td>
<td>The present Tender is for “Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation”. As can be seen in the caption and contents, the tender is with emphasis on Private Sector Participation. Cochin Shipyard Ltd being Government of India Enterprise (PSE) may be allowed to participate in the tender. Making any Private Partnership/JV or Consortium may delay to participate in the tender after observing all required formalities.</td>
<td>PSU/PSEs are not barred from participating in the tender inasmuch as the relevant stipulation in the Govt. Guidelines for Private Sector Participation in the Major Ports issued in 1996”, is that ‘Central/State PSUs who wish to create port facilities as a common user facility need to come through the tendering route at par with private entrepreneur.”</td>
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<td></td>
<td>P-21</td>
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<tr>
<td></td>
<td>Cl. 1.2.4.2</td>
<td>Is there any relaxation on EMD to Government or Public Sector units?</td>
<td>Not Acceptable. Bid Conditions shall prevail.</td>
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<tr>
<td>P-6, 32</td>
<td>As per clause 4.3.1, the successful bidder has to furnish Performance Security for an amount of Rs. 39.25 crores in the form of Bank Guarantee. Since Cochin Shipyard Ltd. being a Govt. of India Enterprise, whether Indemnity Bond in lieu of BG is acceptable in line with the existing practice followed among Govt./Public Sector.</td>
<td>Not Acceptable. Bid Conditions shall prevail.</td>
<td></td>
</tr>
<tr>
<td>P-33</td>
<td>The area is not ready to start any type of ship repair now without large investment and development; hence, very huge amounts are payable immediately on signing the Letter of Agreement and also effect payments to existing employees there. Please confirm whether any moratorium on payments during the period of development will be allowed.</td>
<td>Not Acceptable. Bid Conditions shall prevail.</td>
<td></td>
</tr>
<tr>
<td>P-46</td>
<td>Every subcontract activity in that area requires prior approval of the Port Trust. Such a condition is not suited to the competitive environment in ship repair industry and may lead to delays and disputes during development and operation of a ship repair unit. Whether these clauses can be relaxed or removed.</td>
<td>Please see Sl. No. 17 in the Corrigendum/Addendum No. 1 issued alongwith.</td>
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</tr>
<tr>
<td>P-37</td>
<td>At present there are some facilities like power and water supply and these are being utilized for the present work from your common source. Will you allow the bidder to use them till new connections are made?</td>
<td>Yes. Please refer to Clause 4.21.5 of the Departmental Bid Document.</td>
<td></td>
</tr>
<tr>
<td>P-47</td>
<td>Liquidated Damage is payable to Port Trust on delayed development phases, including getting clearances, capital dredging in the Channel, and construction of marine structures, etc., and the given schedule is not final as the prospective bidder can make his own plans. LD clause appears excess as annual payments to Port Trust are assured by other clauses.</td>
<td>Bid Conditions shall prevail. In this connection, it may be noted that:</td>
<td></td>
</tr>
<tr>
<td>P-44, 46, 47</td>
<td>(i) obtaining Applicable Permits including clearances is a 'Condition Precedent', which would be dealt with as per section 5 of the Bid Document; and</td>
<td></td>
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<td></td>
<td>(ii) though the Bidder can make his own plans, he has to invariably develop/provide the minimum facilities and services mentioned in Appendix-2: Project Requirements.</td>
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<td>9.</td>
<td>Cl. 4.17.3</td>
<td>The clause on dispute resolution is through arbitration under the Arbitration and Conciliation Act, 1996. Does it mean that the Port Trust expects only Private Parties to compete and qualify in the Tender?</td>
<td>No. Please see response to Question No. 2.</td>
</tr>
<tr>
<td></td>
<td>P- 42</td>
<td></td>
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<tr>
<td>10.</td>
<td>Appendix -3</td>
<td>As per agreement reached with labour unions and the Port Trust, the existing employees can only be deployed where they are presently placed. Disproportionate numbers of workmen like Riggers (55), Mazdoors (37), etc. are in the tender form and how Port Trust is engaging such workmen in the workshops and existing facilities there.</td>
<td>Riggers and Mazdoors are supporting workforce for welding, fabrication, fitting, carpentry, diesel engine division etc. These Riggers and Mazdoors will assist the skilled workmen in all trades.</td>
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<td>P-77</td>
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<td>11.</td>
<td>Appendix -3</td>
<td>It may be clarified whether there are agreements reached on output, disciplinary measures on violation of agreements, etc. Whether these personnel are adequately trained for ship repair jobs. The factories act demands Ship Repair industry to follow certain safety norms. Are your employees and officers adequately trained for this and they are practicing the rules? If not will you train them accordingly at your cost.</td>
<td>Cochin Port is an organization under Govt. of India and hence governed by CCA rules. The personnel are trained for carrying out repairs of floating crafts owned by the Port. The employees and Officers are trained for working in ship repair facility.</td>
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<td>P-73</td>
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<tr>
<td>12.</td>
<td>Appendix -3</td>
<td>If CoPT has initiated any steps to offer VRS to part of the remaining employees listed in the tender, what is the present status?</td>
<td>Ministry of Shipping has not agreed to CoPT’s proposal on Special VRS to employees</td>
</tr>
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<td></td>
<td>P-73</td>
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<td>13.</td>
<td>Cl. 4.11</td>
<td>The Clause 4.11 needs clarification. “CO-OPERATION The Developer shall, as specified in the Contract or as instructed by the Engineer-in-charge, allow appropriate opportunities for carrying out work to: (a) the Employer’s Personnel; (b) any other Contractors employed by the Employer; and (c) the personnel of any legally constituted public authorities, who may be employed in the execution on or near the Site of any work not included in the Contract.”</td>
<td>Please refer to the revised Clause 4.11 under Sl. No. 16 in the Corrigendum / Addendum No. 1 issued alongwith.</td>
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<td>P-37</td>
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<td>14.</td>
<td>Annexure- XIII</td>
<td>Annexure - XIII, Format for Lease Deed, appears to be only a sample one and not final. Para 2 a) to e) of this may cause delays unless there are clear-cut procedures and time limits. Such clauses are liable to bring in personal opinions, considerations and disputes. Please define the type of structures to be removed by the Lessee as per Para 6.</td>
<td>Please see the modified Format for Lease Deed (Annexure-XIII).</td>
</tr>
<tr>
<td>15.</td>
<td>Cl. 4.15.1 to 4.15.4</td>
<td>Sub-clauses 4.15.1 a) and 4.15.2 under 'Suspension of Work' may cause delays in progress and take more time to resolve as contemplated in 4.15.3 and 4.15.4. Why these cannot be removed?</td>
<td>Not Acceptable. Bid Conditions shall prevail. However, these clauses are not expected to be revoked under normal circumstances.</td>
</tr>
<tr>
<td>16.</td>
<td>Cl. 4.21.3 (b)</td>
<td>As per Clause 4.21.3 (b), land reclaimed from water body for development attracts ALR at SOR for the land. Please clarify whether the appreciated value of such reclaimed land will be refunded to Developer at any time.</td>
<td>No, the appreciated value of reclaimed land will not be refunded.</td>
</tr>
<tr>
<td>17.</td>
<td>Cl. 4.21.3</td>
<td>Is the SOR of ALR now applied equally to all occupiers of land and water bodies belonged to Cochin Port Trust?</td>
<td>Yes, occupiers of water bodies need to pay only 50% of the Lease Rent of the land in the vicinity.</td>
</tr>
<tr>
<td>18.</td>
<td>Cl. 4.25.1.3</td>
<td>In clause 4.25.1.3 please clarify the term &quot;150% Equity&quot;.</td>
<td>Please refer to Clause 4.1 'Definitions and Interpretations (Modified)' in the Corrigendum / Addendum No. 1 issued alongwith wherein 'Equity' has been defined.</td>
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</tbody>
</table>

**BIDDER 'B'**

| 19. | Appendix- 3 | Date of retirement of the employees who are to be absorbed by the Developer may be provided. | It is indicated under para 1 of the Appendix- 3: Employing Existing Personnel / Labour of the Bid Document. |
| 20. | Cl. 4.20.3, para. 3(e) in Ann.-XIII | Whether NOC will be provided for mortgaging the assets brought by the Bidder. | Yes, on conditions as per the Land Policy Guidelines. Please refer to Clause 4.20.3, of the Bld Document and also para 3(e) in the revised Annexure – XIII: Format of Lease Deed (MODIFIED): |
21. Appendix-3

Transfer of existing employees needs more clarification.

The existing employees are well qualified and highly skilled. Their transfer to the ISRF will be effected in an exactly similar manner as done for the ICTT project. In that case, about 352 employees were taken over by the BOT Operator in 2005 and were transferred back to CoPT in 2011 when the container handling facilities were shifted to Vallarpadam. This was a very successful experience which could be replicated in the case of ISRF also.

22. Appendix-2

Please clarify whether the Developer can abolish the existing Dry Dock as it is seen that it has been included in the Project Requirements. We propose to provide a Dry Dock for larger vessels or a Floating Dry Dock, instead.

The Developer will have the liberty to abolish the existing Dry Dock; but it would not be advisable as it is found ideal, for repair of small vessels/crafts, tugs etc.

It may be noted that the Project Requirements gives the minimum facilities and services to be invariably provided by the Developer; they can provide additional facilities also, as desired. As clearly mentioned under Project Requirements (P-70), the Developer will have the option to set up a Floating Dry Dock additionally if they so desire, complying with the conditions stipulated by CoPT. However, providing Dry Dock for larger vessels may not be feasible near the Project Site due to the siltation problem in Mattancherry Channel.

23. Item No. (ii) under Para 3 in Appendix-2

Whether the two Dry Docks mentioned in the Bid Documents are to be provided by the Bidder.

It may be noted that out of the two Dry Docks mentioned under Project Requirements, one is the existing Dry Dock. Also, please refer to the revised Appendix-2: Project Requirements (MODIFIED) in the Corrigendum/Addendum No.1 issued alongside.

24. Cl. 4.29

Whether the Bidder can deploy private security or should deploy CISF, if so, what will be the charge per month per person?

At present, there is no ISPS for the existing Dry Dock. However, if the Developer envisages repair of foreign vessel, it has to be made ISPS compliant and audit by IRS etc. will be required. As per ISPS, CISF is to be posted for access/gate control and waterfront security. But the Developer can make its own internal security arrangements as per Port Facility Security Plan. There are Govt. approved tariffs for the CISF personnel deployed, which would be adopted in this case also.
<table>
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<th>25.</th>
<th>Item No.(iii) under Para 3 in Appendix-2</th>
<th>Considering the limited area, is it possible to provide a Ship Lift System with 3 Transfer Tracks and 3 Parking Bays for simultaneous docking of 6 such vessels.</th>
<th>As per the Project Report got prepared by CoPT, it is possible to provide those facilities within the land and water areas indicated in the Figure-II attached to the Bid Document; also, a preliminary model study has been conducted by CWPRS, Pune. However, the Bidder shall arrange separate model study for checking the feasibility. In this connection, your attention is also invited to Clause 4.213 (b) (P-46) of the Bid Document.</th>
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<td>P-70</td>
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</table>

**BIDDER 'C'**

<table>
<thead>
<tr>
<th>26.</th>
<th>Appendix -2</th>
<th>Afloat repair is not seen included in the Minimum Requirement</th>
<th>It may be noted that the Phase 1 of the Project includes berth for afloat repairs as indicated in the Table in Page 70 of the Bid Document; however, the berthing facility for afloat repairs can be provided either as an exclusive one or clubbing it with the Ship Lift system at the option of the Developer. Also, please refer to the revised Appendix-2: Project Requirements (MODIFIED) in the Corrigendum/Addendum No.1 issued alongwith.</th>
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<tbody>
<tr>
<td></td>
<td>P-69</td>
<td></td>
<td>It may also be noted that the Developer will have the right to attend to afloat repairs of vessels berthed at any of the berths of CoPT, as indicated in Page 70 of the Bid Document/Appendix-2.</td>
</tr>
</tbody>
</table>

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<tr>
<th>27.</th>
<th>Cl.3.2.2.2 (x) (2) and 3.5.4(c)</th>
<th>In Page 15 of the Bid Document, it is stated that if joint venture is bidding for this project, combined experience of JV partners shall be considered provided that minimum value of project executed in past by individual members shall not be less than Rs. 314 crores whereas in Page 20, it is stated that if the Bidder is a joint venture company; (i) the financial turnover and/or (ii) the experience of any of the partner company in the joint venture will be taken into account for the purpose of this Bid, provided the joint venture company has been duly constituted under applicable laws. Please clarify</th>
<th>Both the requirements in Page 15 and Page 20 of the Bid Document are to be met if combined experience of JV partners are to be considered for evaluation. Also, please refer to Sl. No.6 in the Corrigendum/Addendum No.1 issued alongwith.</th>
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<td>P-15.20</td>
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<td>Q No.</td>
<td>Page</td>
<td>Question</td>
<td>Answer</td>
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<td>28.</td>
<td>Appendix-2</td>
<td>Can we provide any facilities/services other than that mentioned in the Bid Document such as taking up third party fabrication works?</td>
<td>Yes, the facilities and services specifically included under Appendix-2: PROJECT REQUIREMENTS of the Bid Document are the minimum facilities/services, which are to be invariably provided by the Developer. Apart from these minimum requirements, any other facility / service as indicated by the Bidder can also be provided by the Developer, as it would come under the “ancillary industries and allied facilities such as container repair facility” mentioned in the last para. under Appendix -2.</td>
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<tr>
<td>29.</td>
<td>Cl. 1.10, 5.1(a) (xii), para. 2 (g) in Annexure-XIII</td>
<td>Who will be responsible for obtaining Environmental Clearance? If it is the Bidder’s responsibility, more time will be required.</td>
<td>The Bidder shall make their own arrangements for obtaining all clearances, licenses, permits, etc, required in connection with the Project / procurement of any accessories to be used for the Project, as indicated in Cl. 1.10, 5.1(a) (xii) and para .2 (g) in the revised Annexure – XIII: Format of Lease Deed (MODIFIED). The Port will provide all possible assistance for the same to the Bidder; but with no legal obligation thereof. It is also to be noted that the Workshop and Dry Dock are currently functioning facilities and so, environmental clearance will not be required for continuing its operation. Meanwhile, as directed by the Ministry, the Port has also initiated action to obtain ‘One Time Comprehensive Environmental Clearance’ for all its proposed activities / projects included in the Master Plan for the Port.</td>
</tr>
<tr>
<td>30.</td>
<td>Cl. 4.29</td>
<td>Whether ISPS compliance is required for vessels calling at the ISRF?</td>
<td>Yes, ISPS compliance is required if repairs of foreign vessels are envisaged.</td>
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<td>Whether Security Clearance is required?</td>
<td>Yes. Security Clearance will be most probably required as the Project envisages O &amp; M of the facility for a period of 30 years. To facilitate this, the required details /documents will be collected from the Bidders as part of the Bid Documents and the Port will submit the proposal to the Ministry of Shipping for further processing.</td>
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<td><strong>31.</strong></td>
<td><strong>32.</strong></td>
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<tr>
<td><strong>Cl. 1.10 and Appendix - 2</strong></td>
<td><strong>Cl. 4.7</strong></td>
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<tr>
<td><strong>P-9, 69</strong></td>
<td><strong>P-35</strong></td>
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<tr>
<td>As per Cl. 1.10, 'The Port has tentatively identified three options for the Development of Ship Repair Facilities however, these options are just indicative only. The Successful Bidder has to establish its technical feasibility and environmental acceptability on its own'. Whereas under Appendix-2: Project Requirements, you have specified all 3 as minimum facilities to be provided by the Developer. Please clarify.</td>
<td>Is there any possibility of further extension after expiry of the Contract Period of 30 years?</td>
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</table>

**33.**

**Appendix -2**

**P-69-71**

Will Port carry out dredging?

**34.**

**Cl. 3.4**

**P-18**

Is there any possibility of extending the Bid Submission Date?

**35.**

**Appendix-2**

Point (ii) of Appendix-2 on pg-69 specifies an additional Dry dock facility which can cater to repair of medium sized vessels whereas point (iii) on pg-70 specifies provision for Ship Lift System capable of repairing 6 vessels at a time. Given the constraint of land area proposed for development (43 acres) and the fact that the proposed Ship Lift System and Dry |

Clause 1.10 says about the 3 alternatives for Project Layout which were studied in the Project Report, soft copies of which are attached for reference. Please note that the layouts are only indicative and so, as specified in the Bid Document, the Successful Bidder has to explore its technical feasibility and environmental acceptability, on its own. As clarified earlier, the facilities and services listed under Appendix-2: PROJECT REQUIREMENTS of the Bid Document are the minimum facilities/services that are to be invariably provided by the Developer. That is to say that what is said in Cl. 1.10 and Appendix-2 are totally different. The matter of extension after expiry of the Contract Period of 30 years will be governed by the Land Policy Guidelines issued by the Ministry from time to time.

The dredging of the common user channel up to south end of UTL jetty will be done by the Port. But the dredging of Basin and approach shall be the Developer’s responsibility. Please refer to (v) under Appendix -2: Project Requirements (7-71 of the Bid Document) or para no. 7 in the revised Appendix -2: Project Requirements (MODIFIED).

Net possible, as of now.

Please see para 2 under revised Appendix -2: PROJECT REQUIREMENTS (MODIFIED) attached.
### Table

<table>
<thead>
<tr>
<th>Appendix-2</th>
<th>P-70</th>
<th>Appendix-2</th>
<th>P-969</th>
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<tbody>
<tr>
<td>36.</td>
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<td>51.</td>
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<tr>
<td>37.</td>
<td></td>
<td>53.</td>
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</tbody>
</table>

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**In the Pre-Bid meeting COPT promised to share the 3 options which have been worked out by COPT for the preparation of the tender document with the prospective bidders. Request you to kindly share them with us.**

---

**As the land area proposed to be used seems inadequate to accommodate Ship Lift System with 6 boys, therefore additional area need to be created by reclamation. Kindly let us know COPT's view in view of the environmental constraints.**

---

**In such case, the dry dock facility is costing extra without providing any additional benefits. In view of this, please suggest if the proposed Dry dock facility is mandatory when we will have a Ship Lift System.**

---

**Please see response to Question No. 25. Environmental acceptability for the proposal of the Developer shall be looked into by the Developer only. However, all possible assistance will be provided by the Port.**

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**Please see response to Question No. 31.**

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**Sd/-**

**CHIEF ENGINEER**

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**V. KALA**

Company Secretary

Cochin Shipyard Limited

Kochi - 682015

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**N V Suresh Babu**

General Manager

Cochin Shipyard Limited

Kochi - 682015
CORRIGENDUM/ADDENDUM NO. 1 TO THE TENDER DOCUMENT FOR DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION

(Bid No. CP/T-1589/2012-C)

VOLUME I – TECHNICAL BID

1. Page-6, Cl. 1.2 of Tender Notice: 2nd para, 2nd column in the Table: the word “Authority” in the 13th line shall be replaced with the word “Employer”.

2. P-8, 4th para, and P-19, Cl. 3.5.3: shall be replaced by the following:

“In the event that the Bidder does not have Operation and Maintenance (O&M) experience of a minimum of five years, it should furnish an undertaking that if selected to undertake the Project, it shall for a period of at least 5 (five) years from the date of commencement of commercial operation of the Project, enter into an agreement for entrusting its Operation & Maintenance (O&M) obligations to an entity having the aforesaid experience, failing which the Agreement shall be liable for termination.”

3. P-9, Cl. 1.8.1: The following sentence shall be added at the end of the Clause:

“The allotment of land and water areas will be governed by the Land Policy Guidelines issued by the Ministry of Shipping, Government of India from time to time.”

4. P-12, 2nd para, shall be replaced by the following:

“The sum of **INR 8 Crores** in DD/Banker’s Cheque/Bank Guarantee, as required, is enclosed in Cover – A1 as Earnest Money, the full value of which is to be absolutely forfeited to the Board in office should I/We withdraw the offer or revise or go back upon the terms of the Bid; or fail to commence the work specified in the memorandum or should I/We not furnish the Performance Security specified in the above memorandum.”

5. P-13, Cl. 3.2.2.1: The words “Clause 2” and “Clause 4” appearing in this Subclause shall be replaced by “Clause 1.2” and “Clause 1.4” respectively.

6. P-15, para(2) under Explanatory Notes: in 2nd para, delete the words “by individual members”.

7. P-16, after item no. (xiv), the following paragraph shall be added:

“(xv) While evaluating bids, regard would be paid to national defence and security considerations. In order to seek the mandatory clearance in

[V. KALA]

[Signature]
this regard, certain details in respect of each of the Bidders are to be furnished to the Ministry of Home Affairs, Govt. of India. Therefore, the Bidders shall furnish the complete details as called for in **Annexure-XVI**, exactly in the prescribed format wherever format is provided, in the Bid.”

8. **Pages 38 to 40 of this Addendum**, viz., “Annexure-XVI” shall be added as P-134 to 136 of the Bid Document and the Figures I & II in the Bid Document shall be renumbered as P-137 and P-138.

9. **P-21, just before Clause 3.6**, the following shall be added as Explanatory note (e):

“(e) Wherever certified or attested copies are specified, it refers to copies certified by Chartered Accountant/ Certified Public Accountant/ Notary Public.”

10. **P-21, Cl. 3.6.3; P-28 Cl. 3.20.3; P-28 Cl. 3.20.10; P-29 Cl. 3.20.14; P-29 Cl. 3.20.15; P-44 Cl. 4.19**: the word “contractor/contractors” shall be replaced by the word “Bidder/Bidders” or “Developer/Developers”, as the context may require or admit.

11. **P-24, Cl. 3.8.2; in the 2nd line, the word “preparation” appearing between “Bid” and “and their” shall be deleted.**

12. **P-27, Cl. 3.20.3**: the word “of” appearing in the last but one line shall be replaced by the word “or”.

13. **P-30-32, Cl. “4.1 DEFINITIONS AND INTERPRETATION” shall be replaced by the “4.1 DEFINITIONS AND INTERPRETATION (MODIFIED)” given in pages 6 to 11 of this Addendum.**

14. **P-32, Cl. 4.2.1**: the words “payable at Cochin” shall be added after the words “Banker’s cheque” in the 3rd line.

15. **P-37, Cl. 4.11**: **CO-OPERATION stands modified as follows:**

“**4.11 CO-OPERATION**

The Developer shall, as specified in the Contract or as instructed by the Engineer-in-charge, allow appropriate opportunities for carrying out work to:

Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi / Kochi - 682 015

MU. J. INNISIYER
CHIEF ENGINEER
COCHIN PORT TRUST
(a) the Employer’s Personnel;
(b) any other Contractors employed by the Employer; and
(c) the personnel of any legally constituted public authorities,

who may be employed in the execution on or near the Site of any work not included in the Contract.”

17. P-37, Cl. 4.12: SUB – CONTRACTS: delete the words “only with the prior written permission of the Employer” in the 2nd line and the words “with the permission of the Employer” in the 3rd and 4th lines.

18. P-40, Cl.4.16.1: the sub items (c) and (i) shall stand modified as follows:

“(c) the Affected Party has been unable to overcome or prevent despite exercise of due care and diligence.

Force Majeure may include, any of the following events which prevent the Affected Party from performing any of its obligations for a continuous period of not less than 7 (seven) days from the date of its occurrence:

(i) Acts of God, epidemic, extremely adverse weather conditions, lightning, earthquake, cyclone, flood and fire”

19. P-48, Cl.4.23.1: item no.(i) shall stand modified as follows:

“(i) the Developer’s failure to perform or discharge any of its obligations in accordance with the provisions of this Agreement and/or Lease Deed(s).”

20. P-48, Cl.4.23.1: item no. ii) stands deleted and item nos. iii) to xi) stands renumbered as ii) to x).

21. P-49, Cl. 4.24.2 shall stand modified as follows:

“4.24.2 Obligations During Termination Period

During Termination Period, the Parties shall, where applicable to the provision of this Clause 4.24., continue to perform such of their respective obligations under this Agreement which are capable of being performed with the object of ensuring continued availability of the Project Facilities and Services as far as possible, to the users, failing which the Party in breach shall compensate the other Party for any loss or damage occasioned or suffered on account of the underlying failure/breach.”

22. P-56, Cl. 4.31: the first para. shall stand modified as follows:

[N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi / Kochi - 682 015]

[Company Secretary
Cochin Shipyard Limited
Kochi - 682 015]

[CHIEF ENGINEER
Cochin Port Trust]
"4.31 ENGAGEMENT OF CONTRACTORS*

("The 1st para. will be applicable only in cases where the project has been awarded on the strength of the management contractor)."

The Developer shall engage the Management Contractor and execute the Management Contract, thereby entrusting the Management Contractor with the responsibilities of operating and managing the Project Facilities. A copy of the Management Contract shall be provided to the Employer and the same shall not be amended, substituted or revoked without the prior written consent of the Employer.

The Developer may engage any Person possessing the requisite skill, expertise and capability for designing, engineering, procurement and construction of civil/mechanical/electrical engineering structures/equipment, and/or operation and maintenance of the Project Facilities, Provided:"

23. 
P-59, Cl. 5.1 b) (a), 2nd line and P-67, APPENDIX-1: THE PORT ASSETS TO BE TRANSFERRED TO THE DEVELOPER, 3rd and 5th paras: The extent of adjoining water area given as about '15.6 hectares' stands modified as 'about 15 hectares'.

24. 
P-60, Cl.5.2 shall stand modified as follows:

"5.2 The aforesaid Conditions Precedent except those under Subclauses 5.1 (a) (i) and 5.1 (a) (ii) shall be complied with, within 120 (One hundred and twenty) days of the date of the Agreement. The Conditions Precedent under Subclauses 5.1 (a) (i) and 5.1 (a) (ii) are to be complied with, within 28 Days from the date of LOA or date of signing of Agreement, whichever is earlier, as specified in the relevant clauses. Each Party shall promptly inform the other Party in writing when the Conditions Precedent for which it is responsible have been satisfied."

25. 
P-69 to 72: "APPENDIX -2: PROJECT REQUIREMENTS" shall stand replaced by the "APPENDIX -2: PROJECT REQUIREMENTS (MODIFIED)" given at P-12 to P-14 of this Addendum.

26. 
P-73: "APPENDIX -3: EMPLOYING EXISTING PERSONNEL/LABOUR": 3rd para., 1st sentence shall stand modified as follows:

"The Developer shall take over the employees of the CoPT currently engaged at Workshop ("CoPT's Employees") and bear the cost of said employees for their period of employment with the Developer, with employment conditions of each employee and admissible claims arising out of the employment period with the Developer; being: (a) no less favorable than those applicable to them immediately before the take
over; and (b) that in the event of retrenchment, compensation to such employees shall be on the basis that their services have been continuous and have not been interrupted by the take over.

27. P-74 to 75. "APPENDIX -3: EMPLOYING EXISTING PERSONNEL/APOUR": last para. shall stand modified as follows:

"The CoPT's Employees engaged by the Developer shall be entitled for allotment of Port quarters, as per their eligibility had they been continuing in the Port Trust Service, in which case the recoveries like Licence fee for quarter, water and electricity charges etc., as intimated by the CoPT, shall be recovered by the Developer and remitted to the CoPT without any cost to the CoPT. The Developer shall only be obliged to recover such installments if the CoPT provides a certificate (in form and content to the satisfaction of the Developer), of the amount to be recovered from the CoPT's Employees, and provided that, the CoPT indemnifies the Developer for all consequences arising as a result of the Developer complying with the provisions of this Appendix. The Developer shall pay the amount of House Rent Allowance due in respect of CoPT employees who are engaged by him as per this Agreement and who are occupying Port quarters, directly to the Port on a monthly basis."

28. P-93."ANNEXURE-VIII: PRICE BID" shall stand replaced by the "ANNEXURE-VIII: FORMAT OF PRICE BID (MODIFIED)" given at P-15 of this Addendum.

29. P-110 to 122. "ANNEXURE-XIII: FORMAT OF LEASE DEED" shall stand replaced by the "ANNEXURE-XIII: FORMAT OF LEASE DEED (MODIFIED)" given at P-16 to P-27 of this Addendum.

30. P-126 to 133. "ANNEXURE-XV: SUBSTITUTION AGREEMENT" shall stand replaced by the "ANNEXURE-XV: SUBSTITUTION AGREEMENT (MODIFIED)" given at P-28 to P-37 of this Addendum.

VOLUME II- PRICE BID

1. This Volume shall stand replaced by the "VOLUME II: PRICE BID (MODIFIED)" given at P-41 to 46 of this Addendum.
4.1 DEFINITIONS AND INTERPRETATION (MODIFIED)

The following words and expressions in this Bid Document shall have the meanings hereby assigned to them except where the context otherwise requires:

a) "Actual Project Cost" means the actual capital cost incurred by the Developer on the Project and/or the Project Facilities and Services as certified by the Statutory Auditor and if the same exceeds the Estimated Project Cost and/or does not form part of the Financing Plan submitted prior to Financial Close, the amount of the Estimated Project Cost or in the Financing Plan as the case may be increased by the amount(s) approved in writing by the Employer.

b) "Affiliate" means, with respect to any Party and/or with respect to the Bidder and/or with respect to any member of Consortium, any other Person directly or indirectly controlling, controlled by or under common control with such Party, Bidder and/or member of Consortium. For the purposes of this definition, the term "control" (including with correlative meaning, the terms "controlled by" and "under common control with") as applied to any Party or Bidder or a member of Consortium, means the possession, directly or indirectly, of the power to direct or cause the direction of the management of that Party or Bidder or a member of Consortium whether through ownership of 50% (fifty) % or more of the voting securities, by contract, or otherwise.

c) "Applicable Laws" means all laws in force and effect as of the date hereof and which may be promulgated or brought into force and effect hereinafter in India, including statutes, rules, regulations, directions, bye-laws, notifications, ordinances and judgments having force of law, or any final interpretation by a Court of Law having jurisdiction over the matter in question as may be in force and effect during the subsistence of this Agreement.

d) "Applicable Permits" means any and all permissions, clearances, licenses, authorizations, consents, no-objections, approvals and exemptions under or pursuant to any of the Applicable Laws or from any Government Authority required in connection with the Project and for undertaking, performing or discharging the obligations contemplated by this Bid Document or any other Transaction Document.
e) "Bidder/Tenderer" means the person or persons, firm, Corporation, Consortium or Company who submits a Bid/Tender for the subject Project.

f) "Book Value" means the aggregate written down value as on the date of issue of the Termination Notice in the books of the Developer of: (i) the tangible assets (including capital works in progress) forming part of, fixed or attached to the ground, created, installed or provided by the Developer and comprised in Project Facilities and Services, which in the reasonable judgment of an Expert are capable of being put to use/utilized by the Employer; and (ii) the moveable assets including the equipment, and machineries, belonging to the Developer, which the Employer agrees to take over, in accordance with Indian Accounting Standards using depreciation rates as set forth in the (Indian) Companies Act, 1956, as applicable from time to time.

g) "Chief Engineer" means the Chief Engineer of Cochin Port Trust for the time being.

h) "Conditions Precedent" shall mean the conditions prescribed in Section 5 of this Bid Document.

i) "Contractor" means a Person with whom the Developer has entered into/may enter into a contract relating to the execution of any works and/or operation and maintenance of the Project Facilities and Services, including the Management Contractor.

j) "Date of Award of the Project" means the date when the Conditions Precedent have either been satisfied or waived by the Party other than the Party responsible for satisfying the same.

k) "Date of Commercial Operations" means the date of commencement of commercial operations at the International Ship Repair Facility by the Developer.

l) "Debt Due" means the aggregate of the following sums representing the amounts advanced by the Lenders towards Actual Project Cost, expressed in Indian Rupees as may be outstanding and payable to the Lenders under the Financing Documents on the Transfer Date.

   a) the principal amount of the debt including any subordinated debt provided by the Lenders under the Financing Documents for financing the Project ("the Principal") but excluding: (i) working capital loans; (ii) any part of the Principal that had fallen due for repayment one year prior to the Transfer Date, if the Transfer Date is related to expiry of the Contract Period or any part of the
Principal that had fallen due prior to the Termination Notice, if the Transfer Date is related to termination prior to the expiry of the Contract Period; and (iii) any debt that has been rescheduled or refinanced, unless such repayment had been rescheduled or refinancing made with the prior consent of Employer; and

b) all accrued interest, financing fees and charges payable on or in respect of the debt referred to in sub-clause (a) above up to the Transfer Date but excluding: (i) any interest, fees or charges that had fallen due one year prior to the Transfer Date; and (ii) penal interest or charges, payable under the Financing Documents to any Lender.

m) "Developer's Personnel" means the Developer's Representative and all personnel whom the Developer utilizes on Project Site, who may include the staff, labour, other employees of the Developer and of each Sub-Contractor; and any other personnel assisting the Developer in the execution of the Project/Works.

n) "Developer's Representative" means the person named by the Developer in the Contract or appointed from time to time by the Developer, who acts on behalf of the Developer.

o) "Employer/ CoPT/ Port/ Cochin Port/ Board/ Port Trust" means Board of Trustees of Cochin Port, a body corporate established under Section - 5 of the Major Port Trust Act, 1963, having its principal office at W/Island, Cochin-9, India and acting through its Chairman, Deputy Chairman or the Chief Engineer or any other officers, so nominated by the Board.

p) "Employer's Personnel" means the Engineer-in-charge, the assistants and all other staff, labour and other employees of the Engineer and of the Employer; and any other personnel notified to the Developer, by the Employer or the Engineer, as Employer's Personnel.

q) "Encumbrance" means any encumbrance such as mortgage, charge, pledge, lien, hypothecation, security interest, assignment, privilege or priority of any kind having the effect of security or other such obligations and shall include without limitation any designation of loss payees or beneficiaries or any similar arrangement under any insurance policy pertaining to the Project, physical encumbrances and encroachments on the Project Site/Port's Assets/Project Facilities and Services.

r) "Engineer/Officer-In-Charge" means Dy. Chief Engineer/ Superintending Engineer/ Executive Engineer in charge of this Project as nominated by Chief Engineer.

Suresh Babu
General Manager
Cochin Shipyards Limited
Kochi - 682 018

V. KALA
Company Secretary

CHIEF ENGINEER
Cochin Port Trust
Kochi

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s) "Equity" means the paid up share capital of the Developer representing the equity component of the Actual Project Cost, as capitalized in the books of the Developer and duly certified by the Statutory Auditors.

t) "Expert" means any person, body or organization of repute with recognized technical/professional expertise in respect of any field, matter or subject relevant for the purpose of this Agreement.

u) "Financial Assistance" means all funded and non-funded credit assistance including but not limited to loans, advances, lease assistance and guarantees required for the Project.

v) "Financial Close" means the date on which the Financing Documents providing for Financial Assistance by the Lenders, Equity Documents and the documents in respect of debt, if any, committed by the Bidder/Consortium have become effective and the Developer has access to such Financial Assistance.

w) "Financing Documents" means, collectively, the documents executed in favour of or entered into with the Lenders, by the Developer in respect of the Financial Assistance, relating to the financing (including any re-financing) of the Actual Project Cost and includes any document providing security for the Financial Assistance.

x) "Financing Plan" means the financing plan as envisaged under the Financing Documents for financing the cost to be incurred for implementing the Project submitted by the Developer in accordance with Clause 5.1(a)(ix).

y) "Financial Year" means any twelve month period commencing from 1st April and ending on 31st March.

z) "Government Authority" means GoI, any state government or any governmental department, commission, board, body, bureau, agency, authority, instrumentality, administrative body, at central, state, or local level, having jurisdiction over the Developer, the Port’s Assets, the Project Facilities and Services or any portion thereof, but shall not include the Employer.

aa) “INR” /“Rs.” means Indian Rupees.

bb) "Lease Deed" means the lease deed executed entered into between the Employer and the Developer in relation to the Leased Premises described in the Schedule given in paragraph 10 in the Lease Deed on
such terms set forth therein and attached as Annexure -XIII hereto and as amended from time to time.

cc) "Lenders" means any Persons based in India or abroad providing Financial Assistance under the Financing Documents and includes a trustee for the holders of debentures/ or other debt instruments issued by the Developer, to finance the Project.

dd) "Letter of Acceptance" means the letter of formal acceptance, signed by the Employer, of the Bid submitted by the Bidder, including any annexed documents.

ee) "Management Control" means the possession, directly or indirectly of the power to direct or cause the direction of the management and policies of the Developer, whether through the ownership of voting securities, by contract or otherwise or the power to elect or appoint more than 50% (fifty percent) of the directors, managers, partners or other individuals, exercising similar authority with respect to the Developer.

ff) "Material Adverse Effect" means material adverse effect on: (a) the ability of either Party to exercise any of their rights or perform/discharge any of their duties/obligations under and in accordance with the provisions of this Bid Document; and/or (b) the legality, validity, binding nature or enforceability of this Bid Document.

gg) "Party/party" means either the CoPT or the Developer as the context may require or admit and "Parties/parties" means both CoPT and Developer.

hh) "Performance Guarantee" means the Bank Guarantee furnished towards Performance Security, as per Clause 4.3.

ii) "Person" means any individual, company, corporation, partnership, joint venture, trust, unincorporated organization, government or governmental authority or agency or any other legal entity.

jj) "Project/Work" means the works to be executed by the Bidder as detailed in this Bid Document, for the development and operation of the International Ship Repair Facility at W/Island (ISRF).

kk) "Project Contracts" means collectively this Agreement, the EPC Contract, O&M Contract and any other material contract (other than the Financing Documents) or any commercial agreement with
the users) entered into or may hereafter be entered into by the Developer in connection with the Project and Project facilities.

ll) “Project Facilities and Services” means the facilities and services as set out under the Project Requirements, to be provided by the Developer during the Contract Period, in accordance with this Bid Document.

mm) “Project Requirements” means the minimum requirements as to the construction, operation and maintenance of the Project and provision of Project Facilities and Services set out in Appendix 4.

nn) “Project Site” means the land and water area earmarked for the development of ISRF, as detailed in Appendix -1.

oo) “Scale of Rates” means the scale of rates alongwith the statement of conditions with respect thereto framed from time to time and notified by TAMP or such other competent authority under the provisions of MPT Act, as applicable.

pp) “Statutory Auditors” means a firm of chartered accountants appointed in terms of Section 224 of the Companies Act, 1956 and acting as the statutory auditors of the Developer.

qq) “Substitution Agreement” means the agreement substantially in the form set out at Annexure- XV (MODIFIED), to be entered into between the Employer, the Developer and the Lenders.

rr) Successful Bidder / Developer" means the person/persons or firm or company/joint venture company or consortium of companies whose Bid is accepted by the Board and includes its authorized agents, successors and permitted agents.

ss) “Transfer” means to transfer, sell, assign, pledge, hypothecate, create a security interest in or other encumbrance on, place in trust (voting or otherwise), transfer by operation of law or in any other way dispose of, whether or not voluntarily, the legal or beneficial interest in the equity shares of the Developer.

tt) “Transfer Date” means the date of expiry of the contract by efflux of time or the date of expiry of the termination period.

APPENDIX-2

PROJECT REQUIREMENTS (MODIFIED)

1. The International Ship Repair Facility (ISRF) is to be positioned as a Modern Ship Repair Yard of International Standard for maintenance, repair and overhaul of small and medium size vessels by ensuring fast turnaround, high quality & excellent service so as to reduce the business opportunity costs associated with such activities.

2. The ISRF shall focus on undertaking repair of small and medium size vessels (catering to large size vessels would not be a feasible proposition due to draft limitations in the adjoining Mattancherry channel). The Ship Repair Facility shall at the least be capable of handling vessels upto 25000 DWT with the following broad parameters: Length (LOA) of the vessel -160 m, Beam of the vessel - 26 m, Maximum Light Weight of the vessel in the dry dock position - 8000 T.

3. Towards the above end, the Successful Bidder /Developer shall put up and operate the following minimum facilities and services in the Leased Premises, at its risk and cost:

   (i) A new dry docking facility, viz., a Ship Lift System, with 3 Transfer Tracks and 3 Parking Bays for simultaneous docking of 6 vessels to be commissioned in a phased manner.

   (ii) A facility for berthing vessels for afloat repairs, either in combination with the Ship Lift System or otherwise at the option of the Developer.

   (iii) Associated facilities required for the ISRF such as workshop facilities, machineries, handling equipments and cranes, lab equipments, fire prevention and fire fighting facilities, pollution control, environmental protection measures etc.

4. The existing Graving Dry Dock may be refurbished/renewed and utilized for repair of small size vessels, at the option of the Developer. In addition to the above, the Developer will have the option to set up Floating Dry Dock(s) either in the inner harbor or outer harbor at the locations as approved by the Port, complying with the conditions stipulated by it. In such cases, the Developer will have to pay applicable lease rentals at the rates as prevailing from time to time for the use of water area. The Developer will also have the right to attend to the repairs of vessels while it is at any of the berths of CoPT.

[V.KALA]
Chief Engineer

[Cochin Port Trust]
5. **Facilities for repair and maintenance needs of CoPT**

The existing facilities of the CoPT which carry out the repairs and maintenance of the port vessels and aids to navigation consisting of channel marking buoys and leading lights are transferred to the Developer. The repair needs of the mechanical equipment in the Cochin Oil Terminal, STB and NTB are also attended by the Port employees attached to the Workshop. Therefore, the Developer has to ensure that the aforementioned repair and maintenance needs of CoPT are met utilising the existing/new facilities, on priority basis. Such repair needs of the Port’s future Tanker Terminals like Q4, MULT etc., are also required to be attended by the Developer. The terms and conditions of such repair works shall be as follows:

(a) The CoPT would register its major planned requirements at least 90 days in advance. Breakdown repairs of on-line operational equipment shall be attended immediately on reporting. This shall cover both crafts and all the Tanker Terminals.

(b) The dry docking of a maximum of 4 (four) port vessels per annum shall be done without any docking charges.

(c) The repair and maintenance cost of the port vessels / equipments, shall be finalized by mutual consultation between the Port and Developer. However, the rate shall not exceed the published rate of the Developer for those in the Schedule of items. In case of items not included in the Schedule, the rate shall be based on actual cost of material and labour plus overhead plus profit. The overhead percentage shall be decided based on the performance details of the yard in the previous year and on mutual consultation. The profit margin shall be 10% of the cost plus overheads.

(d) In the case of port employees deputed for carrying out any work in the Tanker Terminals and ports crafts/vessels, the employees cost shall be paid without any overhead charges and profit.

(e) Neither overheads nor profit margin shall be applicable in the case of materials/services/labour provided by CoPT for the execution of any of the aforementioned repair and maintenance work.

(f) However, the CoPT will have the option to carry out these repair and maintenance through the Developer or otherwise, according to its convenience.

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**Signatures:**

- **Suresh Babu**
  General Manager
  Cochin Shipyards Limited
  Kochi - 682 015

- **Chief Engineer**
  Cochin Port Trust
6. **Ancillary industries and allied facilities**

The Developer may provide, maintain and operate ancillary industries and allied facilities such as container repair facility, within the Leased Premises, with the prior approval of CoPT.

7. **Capital and Maintenance Dredging:**

CoPT would be maintaining the common user channel at a depth not less than 6 metres up to the Util Jetty. Providing and maintaining the required depths beyond Util jetty viz., in the approach, berth basin, Ship Lift Pit etc. shall be the responsibility of the Developer. These dredging works shall be carried out by the Developer, as per the methodology of dredging approved by the Port.

8. **Schedule of Commissioning**

The ISRF shall be commissioned in a phased manner, complying with the following schedule:

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>SCHEDULE OF COMMISSIONING</th>
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<tbody>
<tr>
<td><strong>Phase 1:</strong></td>
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<tr>
<td>Ship Lift System and Yard for 2 (two) vessels and facility for afloat repairs</td>
<td>By the beginning of 31st month from the Date of Award of the Project</td>
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<td><strong>Phase 2:</strong></td>
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<tr>
<td>Additional Yard for 2 (two) more vessels</td>
<td>By the beginning of 49th month from the Date of Award of the Project</td>
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<td><strong>Phase 3:</strong></td>
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<tr>
<td>Additional Yard for 2 (two) more vessels</td>
<td>By the beginning of 61st month from the Date of Award of the Project</td>
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FORMAT OF PRICE BID (MODIFIED)

DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION

(Ref. Clauses 3.2.3, 3.2.4, 3.14.1, 4.21.2 and 4.21.4)

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<tr>
<th>Sl.No.</th>
<th>Description of work</th>
<th>AMOUNT</th>
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<td>In Figures</td>
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<tr>
<td>1.</td>
<td><strong>Upfront Fee (UF)</strong> which the Bidder undertakes to pay to CoPT in consideration of the Port Assets to be transferred to the Bidder/Developer.</td>
<td></td>
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<td>2.</td>
<td><strong>Guaranteed Amount (GA)</strong> which the Bidder undertakes to pay per annum to CoPT, during the Contract Period of 30 years:</td>
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<td>1st year</td>
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<td>29th Year</td>
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<td></td>
<td>30th Year</td>
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**Notes:**
1. The Price Bid shall be valid for a period of 120 days from the Bid Due Date.
2. In addition to the above payments, the Developer shall make the Upfront Payment of INR 12.92 Crores and the Annual Lease Rentals for the Leased Premises, as indicated in Clause 4.21. of the Bid Document.

Date:

SIGNATURE AND NAME OF THE BIDDER

[Signatures and names]
FORMAT OF LEASE DEED (MODIFIED)

(Ref. Clause1.8.1- Separate Lease Deeds to be executed for the areas handed over in the 1st and 2nd stages)

THIS DEED OF LEASE, made on the ................. day of .................. Two Thousand and ................ between:

THE BOARD OF TRUSTEES OF THE PORT OF COCHIN, a body corporate under the Major Port Trust Act, 1963, having its office at Willingdon Island, Cochin, represented by its Secretary, Shri Cyril C. George, son of late C.O. Varkey, aged 51 years residing at Willingdon Island, Thoppumpady Village, Cochin Taluk, Ernakulam District, Kerala State (hereinafter called "the Lessor", which expression shall unless repugnant to the context or meaning thereof, include its successors in office and assigns) of the one part

and

M/s..............................................................

.............................................................., a company registered under the Companies Act, 1956 and having its registered office at.............................................................., represented by its .............................................................., son of .................., aged .... years residing at .............................................................. (hereinafter called "the Lessee", which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) of the other part.

WHEREAS,

By the Agreement dated ............... entered into between the Lessor as Employer and the Lessee, as the Developer (hereinafter referred to as "the Project Agreement"), the Lessor has awarded the Project of "Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation" (hereinafter referred to as "the ISRF Project") to the Lessee, in terms of the provisions set out thereunder.

AND WHEREAS for the execution of the above ISRF Project, the Lessee has to put up the required facilities in the land and water areas earmarked for the project (Project Site) at W/Island, and it has been agreed between the Lessor
and the Lessee, that the Lessor shall grant to the Lessee the above Project Site, on Lease.

NOW THIS DEED WITNESSETH AS FOLLOWS:-

That the Lessor does, in consideration of the Upfront Fee paid as stated hereunder and Rent to be paid as hereinafter referred and other terms and conditions on the part of the Lessee to be observed, hereby grants to the Lessee, a Lease of:

(a) ALL THAT piece of land containing by admeasurement ...................................... or thereabouts; and

(b) ALL THAT piece of adjoining water body containing by admeasurement ...................................... or thereabouts,

situated at Willingdon Island, which pieces of land and water areas are more particularly described in the schedule hereunder written and for greater clarity, delineated with the boundaries thereof on the Plan annexed hereto (hereinafter called the “Leased Premises”) TO HOLD the same for the ISRF Project under the Project Agreement, for the term beginning on the date of this Lease Deed and ending on the date of expiry of the Contract Period as detailed in the Project Agreement (hereinafter referred to as “the Lease Period”), subject to the following conditions:-

1.

a) The Lessee shall pay the Lessor, during the said term as yearly Lease Rent clear of all deductions Rs......................... (Rupees...........................

..............................................................only) (corresponding to the base Lease Rent @ Rs. 26,67,600/- per hectare per annum for the land area and @ Rs. 13,33,800/- per hectare per annum for the water area, for the base year 2010-2011) with 2% annual increment in the Lease Rent.

\[\text{Handwritten Signature}\]

V. KALA
Company Secretary
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

\[\text{Handwritten Signature}\]

V. KALA
Company Secretary
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

\[\text{Handwritten Signature}\]

CHIEF ENGINEER
Cochin Port Trust
b) The base Lease Rent will undergo upward revision after every block of five (5) years based on the then existing Scale of Rates.

c) The Lessee has paid the Lessor as Upfront Fee for the Lease of the land and water areas indicated hereinafter, an amount of Rs. ...................... (Rupees .......................... only), the said Upfront Fee being non-refundable under any circumstance.

d) The Lessee has deposited with the Lessor as Security Deposit towards Rent an amount of Rs. .................. (Rupees .......................... only) (the receipt of which the Lessor hereby acknowledges), adjustable in terms of the provisions of Sub-clause (a) above, which will be replenished to the extent of annual enhancement in the Lease Rent.

e) The Lessee shall pay the Lessor, the said Rent in two half-yearly instalments, one, on or before the 30th day of September and the other, on the 31st day of March every year for the periods April to September and October to March respectively, and proportionately if the period in question is not a full half-year.

f) If the Lessee defaults in payment of the Rent at any time, necessary adjustments may be made by the Lessor from the amount in deposit and the Lessee shall make up the corresponding deficit in the deposit. The Lessee shall also pay towards Security Deposit referred to above, the differential amount in Rent, consequent on the revision of base Lease Rent provided hereinafter. The Security Deposit so paid shall be refundable without interest on the termination/expiry of the Lease.

g) The Lessee shall, from time to time and at all times during the said term, pay and discharge all rates, taxes, charges, and assessments of every description now subsisting, excluding arrears if any accrued after the .................. (viz., the date of commencement of the term of the Lease), or which may at any time hereafter during the said term be imposed, charged or assessed upon the said premises hereby demised or the building to be erected thereon, whether it be payable by the Lessor or the Lessee.

h) The Lessee shall be bound to pay interest on all overdue payments from the date when the same becomes due at the rate as specified in the Scale of Rates for the time being in force and as revised, subject to a minimum of Rs. 100/- (Rupees one hundred only), it being made clear that the liability
for payment of interest shall not affect the other rights accruing to the
Lessor on account of such defaults on the part of the Lessee.

i) If the Lessee makes default in payment of the Lease Rent, sub-Lease levy,
electricity & water charges, cargo and vessel related charges or any other
dues to the Lessor and/or interest as provided hereinbefore, the Lessor
shall be entitled to revoke this Deed and cancel the Lease forthwith. The
Lessee shall thereupon, forfeit all his/its rights thereunder and shall
remain liable for any sum then due by the Lessee and also for any loss,
which may be caused to the Lessor by reasons of such default.

j) The Lessor also reserves the right to disconnect electricity & water
connections and stop all port related services to the Lessee in the event of
non-payment of any of the dues as stated above and the Lessee shall be
solely responsible for any loss or damage arising out of this.

k) Notwithstanding the above, this Lease Deed shall stand terminated with
the termination of the Project Agreement.

2.

a) All plans for the development of Leased Premises shall be got vetted by the
Competent Authority of Civil Engineering Department of the Lessor, before
the commencement of work. The plans shall also be got approved by the
concerned statutory authority, wherever required, before the
commencement of work.

b) The Lessee shall not, at any time without previous consent in writing of the
Lessor, erect or suffer to be erected on any part of the premises, any
building/structures/facilities.

c) The Lessee shall use the said Leased Premises for construction of
building(s)/structure(s)/facilities solely for the purpose for which, the
Leased Premises has been Leased unless otherwise approved by the Lessor,
and shall not make any unnecessary excavation or remove or appropriate
any minerals, mineral substances of any description, sand or clay, from the
said Leased Premises. Any such materials obtained from the site should be
placed or disposed of as directed by the Chief Engineer of the Lessor or his
authorised representative.

d) If the Lessee has completed the construction of the building/
structures/facilities as provided hereinbefore, within the stipulated period:
(i) The Lessee shall have the liberty to use the said Leased Premises for purposes connected with his/its trade or business.

(ii) It is made clear that the Lessee should utilise the maximum permissible area of the Leased Premises for the development of International Ship Repair Facility (ISRF) and the Lessor reserves the right to repossess without any claim to compensation whatsoever, the whole or part of the portion left unutilised and use the same in any manner deemed expedient by the Lessor. In case there is any dispute regarding the extent of Leased Premises that should be utilised for the construction or the extent to be repossessed, the decision of the Board of the Lessor shall be final and binding.

c) The Lessee shall obtain all statutory and mandatory clearances as may be required under law including Environmental Clearances from appropriate authorities, before execution/commissioning of the Project and from time to time thereafter.

d) The Lessee shall perform all its activities in accordance with all Port Regulations/directions and follow all safety norms as may be prescribed by the competent/statutory authorities from time to time and the same are deemed to be a part of the Lease Deed and shall be binding on the Lessee.

e) The Lease shall be governed by provisions of the Major Port Trust Act, 1963, Indian Ports Act, 1908 and all directives issued by the Government of India from time to time. It shall be binding upon the Lessee to comply with all such directives issued by the Government of India and communicated by the Lessor.

f) The Lessee shall at all times during the subsistence of the Lease maintain the premises in good sanitary condition and repair and keep the buildings/structures/facilities erected and/or to be erected on the said Leased Premises in good and tenantable condition.

i) If, on request in writing by the Lessee, the Lessor removes/relays/reroutes or causes removal/relay/rerouting of any utility services such as underground or overhead electric lines, telegraphic or telephonic lines, pipelines, drains etc., from the said Leased Premises, the Lessee shall pay the Lessor, the cost of such removal within fourteen days from the date on which demand in writing for such cost is served on the Lessee.

j) The Lessee shall pay for any damage, done by him/it or his/its Employees/Workers or agents during the aforesaid period, to any property of the Lessor on the said Leased Premises or land and water areas adjacent thereto, other than those transferred to the Lessee/Developer in accordance with the provisions of the Project Agreement.
k) The Lessor shall not be responsible to the Lessee or any other person(s) for any loss or damage or injury to life or property arising directly or indirectly from the use of the Leased Premises and the activities the Lessee is engaged in, on the said Leased Premises during the period of Lease. The Lessee shall also indemnify the Lessor against all loss or damage or injury to life or property of anyone including third party or claims and costs thereof arising directly or indirectly from the use of the Leased Premises and the activities the Lessee is engaged in, on the said Leased Premises during the period of Lease.

l) Hoarding or advertisement board shall not be erected in the Leased Premises without the written permission of the Lessor.

3.

a) The Lessee shall not assign, transfer or underlet the demised Leased Premises or the buildings/structures/facilities erected or to be erected thereon or any part thereof, without the consent in writing of the Lessor. Upon assignment, transfer or sub-lease of the Leased Premises demised or any part thereof or of the building to be erected thereon or any part thereof with the consent of the Lessor in writing and at any rate within one month of the date of such assignment, transfer or sublease, the Lessee shall deliver a notice of such assignment, transfer or sub-lease to the Lessor setting forth the names and descriptions of the parties thereto and particulars and effect thereof.

b) The Lessee shall be liable to pay such charges*, fees or levy as are prescribed from time to time on account of such assignment, transfer or sub-lease as the case may be. In the event of the Lessee effecting any such sub-lease, without the prior consent in writing of the Lessor for the same, it shall be open to the Lessor to approve of the same if a request therefor is made, provided, the Lessee pays the Lessor during the subsistence of such unauthorised assignment, transfer or sub-lease, an additional amount as detailed below:

(i) Where consent has already been granted by the Lessor for the sub-lease as above, and the delay is only in respect of the submission of the application for renewal of the same, the amount payable in the case of delay not exceeding two months shall be equivalent to interest at 20% of the levy payable in respect of the sub-lease levy for the period of such delay and where it exceeds two months, at 40% of sub-lease levy for the total period of such delay.

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* As of now, the applicable rate is Rs.25/- per sq.m per month, for the built up area.
(ii) In the case of unauthorised sub-lease, the Lessee shall be liable to pay a penalty at the rate of three times the sub-lease levy.

Provided, however, that the Lessor, if it is satisfied at its absolute discretion that such delay in filing the application for consent or renewal of consent for such sub-lease was for circumstances beyond the control of the Lessee, the Lessor may grant remission of a portion of the amount payable as above.

c) It is also made clear that the above provision shall not be construed as a waiver of any of the rights of the Lessor under the Lease Deed including the right to terminate the Lease for unauthorised sub-letting, which the Lessor is entitled to enforce against the Lessee.

d) Any assignment, transfer or sub-lease without the prior approval of the authority which sanctioned the Lease shall make the Lease liable for cancellation. The Lessee shall also be liable to pay any levy or charges to the Lessor for permitting the sub-lease as mentioned above at the rates prescribed by the Lessor from time to time.

e) The Lessee shall not create any charge in respect of the leasehold interest relating to the property described in the schedule hereto vested in it as well as the building constructed on the same without the prior written consent of the Lessor, it being clearly understood that such consent will not be granted, except in the case of charges in favour of commercial banks and State and Central financial institutions. The consent of the Lessor shall be subject to prevailing conditions and payment of mortgage fee as applicable from time to time.

➤ 4.

The Lessee shall be entitled to surrender the whole or a part of the Leased Premises before the expiration of the said Lease Period, provided the Lessee shall give six months’ notice or pay six months’ Rent in lieu thereof. In cases where the whole or a part of Leased Premises is surrendered at the instance of the Lessor, the Lessee shall not be liable to give notice or Rent in lieu thereof as above. Rent will, however, be payable for the period up to the date of surrender of the Leased Premises.

➤ 5.

a) It is agreed between the parties that notwithstanding any other provisions herein contained, the Lessor shall be entitled to cancel the Lease in respect of any part of the Leased Premises, with the improvements thereon, if any, before the expiration of the period specified hereinbefore if such part of
Leased Premises, is required for Port’s own purposes and in that event, the Lessee shall be entitled to corresponding remission of the Lease Rent where applicable and compensation payable will be worked out by the Chief Engineer, Cochin Port Trust in accordance with the following formula, in respect of the buildings and fixtures, if any, which at any time during the currency of the Lease may have been erected or affixed by the Lessee upon the said Leased Premises, provided, however, that in case of any dispute between the parties hereto regarding the rate or quantum of compensation payable under the aforesaid provision, the decision of the Board of the Lessor shall be final and binding.

**FORMULA PRESCRIBED FOR PAYMENT OF COMPENSATION**

\[
DV = R + \frac{E-R \times (L-A)}{L}
\]

- \(DV\) = DEPRECIATED VALUE
- \(E\) = PRESENT DAY COST
- \(R\) = 10% OF \(E\)
- \(L\) = ASSESSED LIFE
- \(A\) = PRESENT AGE.

b) The transfer of the Leased Premises by the Lessee to the Lessor and the compensation payable, if any, in case of termination of the Lease consequent to termination of the Project Agreement, shall be governed by the relevant provisions in the Project Agreement.

6.

a) AND THE Lessor hereby agrees that the Lessee observing all the aforesaid conditions, shall peaceably hold and enjoy the said Leased Premises during the said term without any interruption by the Lessor, provided that upon any breach or non-observance by the Lessee or by a person claiming through or under the Lessee of any of the aforesaid covenants or conditions, the Lessor may, notwithstanding the waiver of any previous cause or right of re-entry, enter upon the said premises and re-possess it as if this Lease had not been granted and thereupon, this demise shall absolutely determine and the Lessee shall be entitled within three calendar months from the date of such re-entry to remove all buildings and fixtures which at any time during the currency of this Lease shall have been erected or affixed by the Lessee upon the said Leased Premises without any claim to any compensation whatsoever.

[Signatures]

V, KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

CHIEF ENGINEER
Kochi Port Trust

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b) The Lessor shall be entitled to allow any public utility services such as electric posts, or cables, water supply, sewer lines, drains, sanitary lines or telegraph post or cables, to be taken through the said Leased Premises and the Lessee shall not be entitled to any compensation in respect of the same, including compensation, if any, relating to the space occupied by such public utility services. Provided that, while allowing such public utility services to be taken through the said Leased Premises, only the minimum possible hindrance shall be caused to other structures in the said Leased Premises.

7.

Notwithstanding anything contained hereinbefore, it is expressly agreed and understood that in the event of violation, if any, of the provisions hereof by the Lessee, the Lessor shall be entitled to terminate the Lease and Project Agreement in accordance with the relevant provisions in the Project Agreement.

8.

a) The Lessee hereby irrevocably authorises the Lessor to pay to the Lenders or at their instruction to any designated bank account in India, the compensation payable to the Lessee. The Lessee confirms that upon such payment being made, the Lessor shall stand duly discharged of its obligations regarding payment of compensation under this Lease Agreement and the charge created by the Lessee in favour of the Lenders on any of its assets taken over by the Lessor shall stand satisfied and all such assets shall, on and from the date of termination of the Lease, be free from such charge. The Lessee further confirms that payment of compensation by Lessor in accordance with this Article 8 shall be a valid discharge to the Lessor in respect of Lessor’s obligation regarding payment of compensation to the Lessee under this Lease Agreement.

b) Provided, notwithstanding anything inconsistent contained in this Lease Agreement, the Lessee/the Lenders as the case may be, shall be entitled to remove at its/ their cost all such moveables which are not taken over by the Lessor and to deal with the same in accordance with their respective rights under law.
c) Provided further, if there are no amounts outstanding under the Financing Documents and a certificate to that effect issued by the Lenders is furnished by the Lessee to the Lessor, the compensation shall be paid by the Lessor to the Lessee directly.

9

Capitalised terms used in this Lease Agreement but not defined shall have the meaning as assigned to them respectively in the Project Agreement executed between the Lessor and the Lessee on ____________.

10

a) The Schedule above referred to:

Registration District : Ernakulam
Registration Sub District :
Taluk :
Firka :
Village :
Desom :
Land Area (in cents/acres/hectares) :
Survey No. :
Sub Division No. :
Limit :

Water Area (in cents/acres/hectares) :
Survey No. :
Sub Division No. :
Limit :

Tenure : Lease

b) DESCRIPTION OF BOUNDARIES:
All the piece and parcel of Leased Premises situated on Willington Island

Land Area:
South :
West :
North :
East :

Water Area:
South :
West :
North :
East :

The plan above referred to is appended.

In witness whereof the common seal of the Board Of Trustees of the Port of Cochin has been affixed and the ______________ of the Board of Trustees of the Port of Cochin for and on behalf of the Trustees of the Port of Cochin has signed and the Lessees have by their duly constituted attorney ______________ executed those presents on the day and year first above written.

The common seal of the Board of Trustees of the Port of Cochin has been affixed and the ______________

of the Cochin Port Trust Board

for and on behalf of the Board of Trustees of the

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Port of Cochin has signed in the presence of:

Witness (1)

(2)

The duly constituted attorney of the Lessee, in the presence of:

Witness (1)

(2)

The document is typewritten

The Document is prepared by

Correction and interlineations:

IN WITNESS WHEREOF, THE LESSOR and the LESSEE have set their hands to this deed on the day and year first above written.

LESSEE

LESSOR

N V Suresh Babu
General Manager
Cochin Shipyards Limited
Kochi - 682 015

V. KALA
Company Secretary
Cochin Shipyards Limited
Kochi - 682 015

CHIEF ENGINEER
COCHIN PORT TRUST
SUBSTITUTION AGREEMENT (MODIFIED)

[Ref. Clause 4.28]

THIS SUBSTITUTION AGREEMENT is entered into on this the ______ day of _______
-- (Month) ---- (Year) at ____________________.

AMONGST,

THE COCHIN PORT TRUST, a body corporate constituted under the provisions of the
Major Port Trusts Act, 1963 and having its Administrative Office at Cochin Port Trust,
Willingdon Island, Cochin – 682 009 (hereinafter referred to as “the Employer”) which
expression shall, unless repugnant to the context or meaning thereof include its
administrators, successors or assigns,

AND

M/s, XXX Limited, a company incorporated under the provisions of theCompanies
Act, 1956 and having its Registered Office at _______________ hereinafter referred to as
“the Developer” (which expression shall unless repugnant to the context or meaning
thereof include its successors and assigns),

AND

YYYY (Financial Institution/Bank) having its Registered Office/Head Office at _______
__________________________ hereinafter referred to as “the Lender”.

OR

ZZZZZ (Financial Institution/Bank) having its Registered Office/Head Office at _______
__________________________ acting for and on behalf of the Lenders listed in Schedule A
hereto (hereinafter referred to as “the Lender’s Representative”.

WHEREAS,

a) The Employer, for implementing the project of ‘Development and Operation of an
International Ship Repair Facility at W/Island with Private Sector Participation’
(hereinafter referred to as “the Project”), has by the Project Agreement dated _______
— entered into between the Employer and the Developer (hereinafter referred to
as “the Project Agreement”), granted to the Developer the Contract to implement
the Project in terms of the provisions set out thereunder;
b) With a view to facilitate financing of the Project by the Developer, the Employer and the Developer have agreed to enter into Substitution Agreement being these present with the Lender/s/Lenders' Representative.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS FOLLOWS:

ARTICLE 1

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereafter respectively assigned to them.

"Agreement" means this agreement and includes any amendment or modification made to this agreement in accordance with the provisions hereof.

"Financial Assistance" means the financial assistance set forth in Schedule A hereto, agreed to be provided by the Lender(s) to the Developer for financing the Project.

"Financial Default" means occurrence of a material breach of the terms and conditions of the Financing Documents or a continuous default in servicing debt thereunder by the Developer for a minimum period of 3 (three) months.

"Lender(s)" means the financial institutions/banks whose name(s) and addresses are set out in Schedule A hereto and shall include the financial institutions/banks who may replace the same by way of a refinance/subrogation, as may be notified by the Lenders’ Representative to the Developer, from time to time.

"Residual Contract Period" means the period which shall be the remainder of the Contract Period computed from the date of issuance of Termination Notice in terms of Clause 4.24.1 of the Project Agreement.

"Selectee" means a Person proposed by the Lender/Lender’s Representative pursuant to this Agreement and approved by the Employer for substituting the Developer for the residual Contract Period, in accordance with the provisions of this Agreement.

"Suspension Period" means the Termination Period as defined in Clause 4.24 of the Project Agreement at the end of which all formalities connected with substitution of the Developer by the Selectee including handing over of Project Site/Project Facilities and Services in accordance with this Agreement are completed and the substitution has become effective.
1.2 Capitalized terms used in this Agreement but not defined shall have the meaning assigned to them respectively in the Project Agreement.

ARTICLE 2

2. ASSIGNMENT

2.1 Assignment of rights and title

The Developer hereby agrees to assign its rights, title and interest in the Contract to, and in favour of, the Lenders pursuant to and in accordance with the provisions of this Agreement and the Project Agreement by way of security in respect of financing by the Lenders under the Financing Documents.

ARTICLE 3

3. SUBSTITUTION OF THE DEVELOPER

3.1 Rights of substitution

3.1.1 Pursuant to the rights, title and interest assigned under Clause 2.1, the Lenders shall be entitled to substitute the Developer by a Selectee under and in accordance with the provisions of this Agreement and the Project Agreement.

3.1.2 The Employer hereby agrees to substitute the Developer by endorsement on the Contract in favour of the Selectee selected by the Lenders in accordance with this Agreement (For the avoidance of doubt, the Lenders shall not be entitled to operate and maintain the Project/Project Facilities and Services).

3.2 Substitution upon occurrence of Financial Default

3.2.1 Upon occurrence of a Financial Default, the Lenders/Lenders' Representative may issue a notice to the Developer (the "Notice of Financial Default") along with particulars thereof, and send a copy to the Employer for its information and record. A Notice of Financial Default under this Clause 3 shall be conclusive evidence of such Financial Default and it shall be final and binding upon the Developer, for the purposes of this Agreement.

3.2.2 Upon issue of a Notice of Financial Default hereunder, the Lenders/Lenders' Representative may, without prejudice to any of its rights or remedies under this Agreement or the Financing Documents, substitute the Developer by a Selectee in accordance with the provisions of this Agreement.

V. KALA
General Manager
Cochin Shipyard Limited
Kochi / Kochi - 682 015

CHIEF ENGINEER
COCHIN PORT TRUST
3.2.3  At any time after the Lenders/Lenders’ Representative has issued a Notice of Financial Default, it may by notice require the Employer to suspend all the rights of the Developer and undertake the operation and maintenance of the Project/Project Facilities and Services, and upon receipt of such notice, the Employer shall suspend the rights of the Developer. Provided, such suspension shall be revoked upon substitution of the Developer by a Selectee, and in the event such substitution is not completed within 180 (one hundred and eighty) Days from the date of such suspension, the Employer may terminate the Project Agreement forthwith by issuing a Termination Notice in accordance with the provisions of the Project Agreement; provided that upon written request from the Lenders/Lenders’ Representative and the Developer, the Employer may extend the aforesaid period of 180 (one hundred and eighty) Days by a period not exceeding 90 (ninety) Days.

3.3  Substitution upon occurrence of Developer Default

3.3.1  Upon occurrence of a Developer Default, the Employer shall by a notice inform the Lenders/Lenders’ Representative of its intention to issue a Termination Notice and grant 15 (fifteen) Days’ time to the Lenders/Lenders’ Representative to make a representation, stating the intention to substitute the Developer by a Selectee.

3.3.2  In the event that the Lenders/Lenders’ Representative makes a representation to the Employer within the period of 15 (fifteen) Days specified in Clause 3.3.1, stating that it intends to substitute the Developer by a Selectee, the Lenders/Lenders’ Representative shall be entitled to undertake and complete the substitution of the Developer by a Selectee in accordance with the provisions of this Agreement within a period of 180 (one hundred and eighty) Days from the date of such representation, and the Employer shall either withhold termination and/or suspend the rights of the Developer for the aforesaid period of 180 (one hundred and eighty) Days; provided that upon written request from the Lenders/Lenders’ Representative and the Developer, the Employer shall extend the aforesaid period of 180 (one hundred and eighty) Days by a period not exceeding 90 (ninety) Days.

3.4  Procedure for substitution

3.4.1  The Employer and the Developer hereby agree that on or after the date of Notice of Financial Default or the date of representation to the Employer under Clause 3.3.2, as the case may be, the Lenders/Lenders’ Representative may, without prejudice to any of the other rights or remedies of the Lenders, invite, negotiate and procure offers, either by private negotiations or public auction or tenders from potential Selectees for substituting the Developer and taking on the rights and obligations under the Project Agreement.

3.4.2  To be eligible for substitution in place of the Developer, the Selectee shall be required to fulfill the eligibility criteria that were laid down by the Employer for shortlisting the bidders for award of the Contract; provided that the Lenders/Lenders’ Representative may represent to the Employer that all or any of such criteria may be
waived in the interest of the Project, and if the Employer determines that such waiver shall not have any material adverse effect on the Project, it may waive all or any of such eligibility criteria.

3.4.3 Upon selection of a Selectee, the Lenders/Lenders’ Representative shall request the Employer to:

a) accede to transfer to the Selectee the rights and obligations of the Developer under the Project Agreement; and

b) novate the Project Agreement to the Selectee such that the Selectee replaces the Developer and becomes entitled/obligated to all the rights and obligations of the Developer for the residual Contract Period.

3.4.4 If the Employer has any objection to the transfer of Contract in favour of the Selectee in accordance with this Agreement, it shall within 7 (seven) Days from the date of proposal made by the Lenders/Lenders’ Representative, give a reasoned order after hearing the Lenders/Lenders’ Representative. If no such objection is raised by the Employer, the Selectee shall be deemed to have been accepted. The Employer thereupon shall novate the Project Agreement within 7 (seven) Days of its acceptance/deemed acceptance of the Selectee; provided that in the event of such objection by the Employer, the Lenders’ Representative may propose another Selectee whereupon the procedure set forth in this Clause 3.4 shall be followed for substitution of such Selectee in place of the Developer.

3.5 Selection to be binding

The decision of the Lenders/Lenders’ Representative and the Employer in selection of the Nominated Company shall be final and binding on the Developer. The Developer irrevocably agrees and waives any right to challenge the actions of the Lenders’ Representative or the Lenders or the Employer taken pursuant to this Agreement including the transfer/novation of the Project Agreement in favour of the Selectee. The Developer agrees and confirms that it shall not have any right to seek revaluation of assets comprised in the Project or the Developer’s shares. It is hereby acknowledged by the Parties that the rights of the Lenders/Lenders’ Representative are irrevocable and shall not be contested in any proceedings before any court or Employer and the Developer shall have no right or remedy to prevent, obstruct or restrain the Employer or the Lenders/Lenders’ Representative from effecting or causing the transfer by substitution and endorsement of the Contract as requested by the Lenders/Lenders’ Representative.

ARTICLE 4

4. TRANSACTION DOCUMENTS

V. KALA

V. Suraj Babu
General Manager

Cochin Shipyards Limited

Kochi / Kochi - 682 015

CHIEF ENGINEER

COCHIN PORT TRUST
4.1 Substitution of Selectee in Transaction Documents

The Developer shall ensure and procure that each Transaction Documents contains provisions that entitle the Selectee to step into such Transaction Documents, in its discretion, in place and substitution of the Developer in the event of such Selectee assumption of the liabilities and obligations of the Developer under the Project Agreement.

ARTICLE 5

5. TERMINATION OF CONCESSION AGREEMENT

5.1 Termination upon occurrence of Financial Default

At any time after issue of a Notice of Financial Default, the Lenders/Lenders’ Representative may by a notice in writing require the Employer to terminate the Project Agreement forthwith, and upon receipt of such notice, the Employer shall terminate the Contract in accordance with the Project Agreement.

5.2 Termination when no Selectee is selected

In the event that no Selectee acceptable to the Employer is selected and recommended by the Lenders/Lenders’ Representative within the period of 180 (one hundred and eighty) Days or any extension thereof as set forth in Clause 3.3.2, the Employer may terminate the Project Agreement forthwith in accordance with the provisions thereof.

5.3 Realisation of Debt Due

The Employer and the Developer hereby acknowledge and agree that, without prejudice to their any other right or remedy, the Lenders are entitled to receive from the Developer, without any further reference to or consent of the Developer, the Debt Due upon termination of the Project Agreement.

ARTICLE 6

6. DURATION OF THE AGREEMENT

6.1 Duration of the Agreement

6.1.1 This Agreement shall come into force from the date hereof and shall expire at the earliest to occur of the following events:

a) Termination of the Agreement; or
b) no sum remains to be advanced, or is outstanding to the Lenders, under the Financing Documents.

ARTICLE 7

7. INDEMNITY

7.1 General indemnity

7.1.1 The Developer will indemnify, defend and hold the Employer and the Lenders/Lenders' Representative harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense of whatever kind and nature arising out of any breach by the Developer of any of its obligations under this Agreement or on account of failure of the Developer to comply with Applicable Laws and Applicable Permits.

7.1.2 The Employer will indemnify, defend and hold the Developer harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Employer to fulfil any of its obligations under this Agreement, materially and adversely affecting the performance of the Developer's obligations under the Project Agreement or this Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of its lawful functions by the Employer.

7.1.3 The Lenders/Lenders' Representative will indemnify, defend and hold the Developer harmless against any and all proceedings, actions and third party claims for any loss, damage, cost and expense arising out of failure of the Lenders/Lenders' Representative to fulfil its obligations under this Agreement, materially and adversely affecting the performance of the Developer's obligations under the Project Agreement, other than any loss, damage, cost and expense, arising out of acts done in discharge of their lawful functions by the Lenders/Lenders' Representative.

7.2 Notice and contest of claims

In the event that any Party hereto receives a claim from a third party in respect of which it is entitled to the benefit of an indemnity under Clause 7.1 or in respect of which it is entitled to reimbursement (the "Indemnified Party"), it shall notify the other Party responsible for indemnifying such claim hereunder (the "Indemnifying Party") within 15 (fifteen) Days of receipt of the claim and shall not settle or pay the claim without the prior approval of the Indemnifying Party, such approval not to be unreasonably withheld or delayed. In the event that the Indemnifying Party wishes to contest or dispute the claim, it may conduct the proceedings in the name of the Indemnified Party and shall bear all costs involved in contesting the same. The Indemnified Party shall provide all cooperation and assistance in contesting any claim and shall sign all such writings and documents as the Indemnifying Party may reasonably require.
ARTICLE 8

8. GENERAL

8.1 General

(i) The Parties hereto expressly represent and warrant that they are duly empowered to sign and execute this Agreement.

(ii) Notices under this Agreement shall be sent to the Address first hereinabove mentioned. Any change in the address of any Party shall be duly notified by registered post acknowledgement due and delivered to the other parties.

(iii) The expressions "Employer", the "Developer", the "Lender" and the "Lenders’ Representative", "Selectee" herein used shall unless there be anything repugnant to the subject or context include the respective successors and assigns.

(iv) This Agreement shall not be affected by reorganisation of any Lender, the Developer or Employer, "Selectee" and the successor in interest of the Lender or Employer shall have the benefit of this Agreement.

(v) Failing amicable settlement and/or settlement with the assistance of Expert, the dispute or differences or claims as the case may be, shall be finally settled by binding arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be by a panel of three Arbitrators, one each to be appointed by the Employer and the Lenders/Lender’s Representative and the third to be appointed by the two arbitrators. If any Party entitled to do so, fails to appoint a second Arbitrator within 30 (thirty) Days of from the receipt of the request for such appointment, then the single Arbitrator appointed in accordance with this provision shall adjudicate the disputes as Sole Arbitrator.

(vi) This Agreement and rights and obligations of the Parties hereunder shall remain in full force and effect pending the Award in any arbitration proceeding hereunder. The courts having territorial jurisdiction over the Project alone shall have jurisdiction over all matters arising out of or relating to the arbitration agreement contained herein or proceedings arising out of or relating to the arbitration proceedings thereunder.

(vii) The consultation, recommendation or approval of the Lenders’ Representative under this Agreement shall always be deemed as
consultation, recommendation or approval of every concerned Lender and each such Lender shall be bound by the same.

(viii) This Agreement shall be in addition to and shall not be in derogation of the terms of the Financing Documents.

(ix) The Developer agrees and acknowledges that it shall not be necessary for the Lender(s) or the Lenders’ Representative to enforce or exhaust any other remedy available to them before invoking the provisions of this Agreement.

(x) No amendment, variation or modification to this Agreement shall be valid and effectual unless made in writing and executed by the duly authorized representatives of all the Parties hereto.

(xi) All stamp duties or other imposts and charges as are applicable on this Agreement or on amendment of the Project Agreement or execution of fresh Project Agreement for the purpose of substitution as aforesaid, irrespective of the Lenders making such payment for the time being, shall be borne by and be to the account of the Developer.

(xii) The Parties hereby expressly agree that for the purpose of giving full and proper effect to this Agreement, the Project Agreement and this Agreement shall be read together and construed harmoniously. The terms of this Agreement shall prevail in the event of any inconsistency with the Project Agreement.

SCHEDULE A

PARTICULARS OF FINANCIAL ASSISTANCE

<table>
<thead>
<tr>
<th>Name and Address of the Lender</th>
<th>Nature and Amount of Financing Lender Assistance</th>
</tr>
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<tbody>
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</table>

V. KALA

Company Secretary

Cochin Shipyard Limited

Kochi, Kerala - 682 015

CHIEF ENGINEER

COCHIN PORT TRUST
IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET THEIR HANDS HEREUNTO ON THE DAY, MONTH AND YEAR HEREINABOVE MENTIONED.

SIGNED AND DELIVERED ON BEHALF OF
LIMITED
BY: ____________________________

Name:

Title:

SIGNED AND DELIVERED ON BEHALF OF
GOVERNMENT OF INDIA

By: ____________________________

Name:

Title:

SIGNED AND DELIVERED ON BEHALF OF
__________________________ ON BEHALF OF THE
LENDERS SETFORTH IN SCHEDULE I

BY: ____________________________

Name:

NV Suresh Babu
General Manager

V. KALA
Company Secretary

CHIEF ENGINEER

KOCHIN PORT TRUST
DETAILS FOR SEEKING SECURITY CLEARANCE

Details of companies/Bidders/Consortium Partner(s)

i. Name of the Company/Consortium Members and their address, including Address of Indian subsidiary or branch/liaison office, etc.

ii. List of Promoters/Board of Directors of bidders /consortium members with particulars like Name, Address, Permanent & Present, Nationality, etc.

iii. Nature of the company, whether private or state-owned entity.

iv. Shareholding details with particulars of entities/individuals having more than 5% stake with ownership details to the last layer indicating the promoting individuals' name.

v. Parental organization and sister concerns.

vi. Number of foreign nationals likely to be required for the execution of the project and their likely locations/deployment.

vii. Presence of the investing companies/Bidders/Consortium Partners and shareholders in the countries across the world, including collaborations with other foreign companies.

(Contd….)
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<thead>
<tr>
<th>SL. No</th>
<th>Full name of Board of Directors</th>
<th>Date of Birth</th>
<th>Parentage**</th>
<th>Complete Present &amp; Permanent Address</th>
<th>Nationality</th>
<th>Passport Nos. and issue date, if any***</th>
<th>Contact Address &amp; telephone number, if any,</th>
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(i) **For individuals (Board of Directors)**

(ii) **For companies / firms**

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Full name of Companies and its foreign collaborator if any; Including details of Board of Directors as in (i) above</th>
<th>Date of Registration</th>
<th>Present &amp; Permanent Address including Address of Head office, Regional offices and Registered Office</th>
<th>Link with other firm</th>
<th>Activites and other Business owned</th>
<th>Name of CEOs/Partner(s) with details</th>
<th>Shareholding pattern for Applicant Company and investing company</th>
<th>Details of earlier approval(s), if any (Ref. No. &amp; date)</th>
<th>Ultimate ownership of shareholding companies and the investing company along with detailed particulars of owners</th>
<th>Presence of investing Companies and shareholders in countries across the world, including collaborations with other foreign companies</th>
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**NOTE:**
* All columns are to be duly filled in and no column shall be left blank.
** Details regarding origin/ancestry of the person, like nationality of parents may be specified.
*** In case passport has not been issued, specify "Not issued".

[Signatures and certificates]

\[Signature\]  \[Name\]  \[Company\]  \[Name\]  \[Company\]  \[Name\]  \[Company\]

- 203 - COCHIN PORT TRUST
ix. Machineries or heavy/sophisticated equipment needed for the project.

x. Total Manpower projection for the excavation of the project.

xi. Number of foreigners’ likely/necessary to be involved for the project completion.

xii. Earmarked place for stay of foreigners with details.

[Signatures and names]
COCHIN PORT TRUST
COCHIN - 682 009, KERALA, INDIA
Tele: 91-0484-2666414/2666871 Extn.: 2400
Telex : 0885-6203 PORT IN
Fax : 91 0484 2666414
Email : ce@cochinport.gov.in
Website : www.cochinport.gov.in

TENDER FOR
DEVELOPMENT AND OPERATION OF AN INTERNATIONAL
SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR
PARTICIPATION
(Tender No. CP/T-1589/2012-C)

VOLUME – II: PRICE BID (MODIFIED)

CHIEF ENGINEER’S OFFICE,
COCHIN PORT TRUST,
COCHIN- 682 009.

PRICE: INR 50,000/-

MAY 2012

V. KALA
Company Secretary
Cochin Shipyards Limited
Kochi - 682 015

V Suresh Babu
General Manager
## PRICE BID (MODIFIED)

DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION

(Ref. Clauses 3.2.3, 3.2.4, 3.14.1, 4.21.2 and 4.21.4)

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<th>Sl. No</th>
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<tr>
<td>1.</td>
<td><strong>Upfront Fee (UF)</strong> which the Bidder undertakes to pay to CoPT in consideration of the Port Assets to be transferred to the Bidder/Developer:</td>
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<td>2.</td>
<td><strong>Guaranteed Amount (GA)</strong> which the Bidder undertakes to pay per annum to CoPT, during the Contract Period of 30 years:</td>
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**N V Suresh Babu**  
General Manager  
Cochin Shipyard Limited  
Kochi - 682 525

**CHIEF ENGINEER**  
Kochi Port Trust
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<td>V. KALA</td>
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<tr>
<td>Company Secretary</td>
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<tr>
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<td>N. V. Suresh Babu</td>
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<tr>
<td>Chief Engineer</td>
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V. Kala
Company Secretary
Cochin Shipyard Limited
Kochi / Kochi - 682 015
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Notes: 1. The Price Bid shall be valid for a period of 120 days from the Bid Due Date.

2. In addition to the above payments, the Developer shall make the Upfront Payment of INR 12.92 Crores and the Annual Lease Rentals for the Leased Premises, as indicated in Clause 4.21. of the Bid Document.

Date:

SIGNATURE AND NAME OF THE BIDDER

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015
From: "coptce." <coptce@siify.com>
To: <ceo@wist.co.in>; <jayakumar@spml.co.in>; "Advisor (New Projects)"
<anp@cochinshipyard.com>; <tomyss@gmail.com>; <anil@maritime.com>
<info@cochinshipyard.com>; <anilrao@greatoffshore.com>; <marinekochi@tecprio.com>
<Mumbai@onmetals.com>; <ommimumbail@yahoo.co.in>; <kshipyard@live.com>
<indojeshipyard@hotmail.com>; <jamal@sultanengineering.com>
<tech@seabluesshipyard.com>; <commercial@wist.co.in>; <info@holyoffshore.com>
<ops@hollyossshore.com>; <devasani2001@gmail.com>; <pmb@and.nic.in>
<hs_pabla@yahoo.com>; <nishtha_rubz@yahoo.co.in>; <cblue@gmail.com>
<Sagarmanthdre52@yahoo.com>; <abhirutu@gmail.com>; <commercial@wist.co.in>
<mayank_goyal@dpsproject.com>; <marketing@seabluesshipyard.com>
<cgrind@cgrgroup.com>; <anil_rao@greatoffshore.com>; <info@laxsons.com>
<arpit@meghrajindia.com>; <est@gmail.com>; <aranu@eragroup.in>; "P Vinayakumar"
<dirtech@cochinshipyard.com>; <a@aj.com>; <kshipyard@gmail.com>
<bijay_raft@laing.com>; <ayashilnaik@punjlord.com>; <info@actin.in>
<vcchennailenders@gmail.com>; <sagarrahod974@gmail.com>
<eciezhennai@empireindia.com>; <saurabh.shekhatkar@meghrajindia.com>
<aac@marinesandcoastal.com>; <contract@petreleng.com>
<priyankas@thachethventure.com>; <manan_turbo@hotmail.com>; <gopai@gmail.com>
<seena@norinco.co.in>; <tll_contracts@gmail.com>; <ranjan.varghese@steel-ships.com>
<kabir.taneja@trishul.in>; <jamauldin.k@sultanbh.com>; <kshitij@prithvimarinedevelopment.com>
<shilpi@prithvimarinedevelopment.com>; <anuj.bhasin@international.gc.ca>; <dr_vsgk@yahoo.com>
<JANARTHANAN_AMIRTHAM@WARTSILA.COM>; <kalyana.chakravarthi@kbl.co.in>
<oceiplprojects@gmail.com>; <coastal1@gmail.com>; <kawatram@gmail.com>
<rks.kpt@rediffmail.com>; <gop3443443@gmail.com>; <krish@imc.net.in>
<info@stonesededgegranite.com>; <sasawat@israeltrade.gov.in>; <dsando@deloitte.com>
<jitendraasobhani@gmail.com>

Sent: Friday, July 13, 2012 3:21 PM
Subject: Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation

No. CP/ T- 1589/2012-C

Dated: 13/07/2012

Sir,

Sub: “Development and Operation of an International Ship Repair Facility at
W/Island with Private Sector Participation” - Bid No. CP/T-1589/2012-
C.

Ref: Bid Document and the Record Note of the Pre-Bid Meeting held on
14/06/2012.

Please refer to the Bid Document and Record Note of the Pre- Bid Meeting, for the subject project.

The Due Date for the submission of the Bids for the above project is extended to
22/08/2012.

N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi / Kochi - 682 015

You may kindly note that the bids for the above project shall be submitted so as to reach the

2/4 - 2/13 COC

[Signature]

31/08/2012
undersigned before **14.30 hours IST** on **22/08/2012**. CoPT will open the Bids at **15.00 hours IST** on the same day (22/08/2012).

Yours Faithfully,

Sd/-

CHIEF ENGINEER

---

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

CHIEF ENGINEER
Cochin Port Trust

18/08/2012
Sub: Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation - Bid No. CP/T-1589/2012-C

From: ceo@wist.co.in
To: rahul.goyal@yulcproject.com; mayank.goyal@yulcproject.com; marketing@wist.co.in; commercial@wist.co.in; devasaani2001@gmail.com; pmb@and.nic.in; hs_pabia@yahoo.com; nisha_ruz@yahoo.co.in; cblue@gmail.com; Saqarshatre52@yahoo.com; aabhinutu@gmail.com; info@fjxsons.com; april@meghraindia.com; est@gmail.com; sam@eragroup.in; P_Vinakumar@gmail.com; kshiyarid@gmail.com; bjay.rawal@laing.com; ayashnil@pumpely.com; info@actin.in; vncchennaltenders@gmail.com; sagarrathodh@gmail.com; evelynn@empireindia.com; saurabh.shetkar@meghraindia.com; eca@marineandcoastal.com; contract@pateleng.com; michandras@thachelventure.com; marianturbo@hotmail.com; gcopa@gmail.com; saeaa@norinco.in; illicontrac@gmail.com; ranjan.varghese@steel-ships.com; kabir.taneja@trishui.in; iamaludin.k@sultanbh.com; kjiah@orithvimarineindia.com; shhtii@orithvimarineindia.com; anuj.bhasin@internationalqc.ca; dr_vask@yahoo.com; JANARTHANAM_AMIRTHAM@wartella.com; kalyana.chakravarthi@kbz.com; oecp@apricot.com; Pateleng.com; kawatram@gmail.com; rks.kpt@rediffmail.com; gopp443443@gmail.com; krish@mic.net.in; info@stonedgedgranite.com; sarasawati@israeltrade.gov.in; drso@deloitte.com; jitenraabhtani@gmail.com; SM R.K; rajesh.g@cochinshipyard.com
Cc: depuyceo1; rema

Sent: Saturday, August 04, 2012 8:20 PM
Subject: Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation - Bid No. CP/T-1589/2012-C

No. CP/T-1589/2012-C

Dated: 04/08/2012

Sir,

Sub: Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation - Bid No. CP/T-1589/2012-C

Ref: (i) Bid Document for the subject work
(ii) This office letter of even no. Dated 30/06/2012 and 13/07/2012.

Please find attached a statement showing the 'Additional Queries from the Bidders and CoPT's responses thereto' and Addendum No. 2 to the Bid Document, for your reference and necessary action.

2. As regards employing CoPT's existing personnel and labour (Appendix -3 of the Bid Document read alongwith the Addenda), it is informed that as on 31/07/2012, 275 employees are engaged in the Workshop out of which 32 nos. are proposed to be retained in port service. As such, only 243 employees are proposed to be transferred to the Developer, based on the present day strength and is subject to change, due to attrition.

3. Please note that these documents would also form a part of the Bid Documents and are to be duly signed on all pages and submitted in Cover- A2 of the Bid. All the other terms and conditions remain unchanged.

Encl.: as above

Yours faithfully

Sd/-

CHIEF ENGINEER

V. KALA

Company Secretary

Kochin Shipyard Limited

Cochin / Kochi - 682 015
TENDER FOR DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION (Bid No. CP/T-1589/2012-C)

ADDITIONAL QUERIES FROM THE BIDDERS AND CoPT'S RESPONSES THERETO

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<thead>
<tr>
<th>Sl. No.</th>
<th>Ref. Clause</th>
<th>Bidders' Queries</th>
<th>CoPT's Responses</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td>Page No. in the Bid Document</td>
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</tbody>
</table>

**BIDDER 'A'**

1. Appendix -2: PROJECT REQUIREMENTS

   As per the bid terms, vide Appendix (Project requirements) sub clause no (i) the successful bidder/developer is required to put up and operate in the leased premises, at its risk and cost, a ship repair facility that would meet the parameters as below.

   LOA of vessel-160 m, Beam-26 m, Max. light weight-8000 T

   The above requirement is to be met by a ship lift suitably designed. Having reviewed this requirement based on the vast experience we possess on the ship repair front, it is our considered opinion that the optimum ship lift design for such a facility considering the business & market prospects would be to opt for a ship lift capable of accommodating vessels of LOA-130 m, Beam-25 m Max light weight-6000 T.

   This requirement has been modified as per Sl. No. 8 (a) in the Addendum No.2 issued alongwith.

   In this context, please refer to the APPENDIX -2 PROJECT REQUIREMENTS (MODIFIED) issued to the Bidders issued under order of CoPT’s letter dated 30/06/2012 (Sl. No. 25 of CORRIGENDUM/ADDENDUM No. 1).
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>2.</td>
<td>3.4.1</td>
<td>We request that the Bid Submission date be extended by one more month i.e. 22&lt;sup&gt;nd&lt;/sup&gt; September, 2012. Not Acceptable. Bid condition shall prevail.</td>
</tr>
<tr>
<td></td>
<td>P-18</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>5.1(b) &amp; Appendix-1</td>
<td>Since the proposed facility and allied facilities are estimated to take up significant area, we request that all of the land area (16.9 hectares) should be given for development in the first phase itself instead of two phases so that we can plan for allied facilities necessary for ship repair in a better way. Also, it is requested that the developer, may be allowed, if needed, to sublease some part of the land for fabrication or other related work to a third party. Please see Sl. No. 6 in the Addendum No. 2 issued alongwith.</td>
</tr>
<tr>
<td></td>
<td>P-59 &amp; P-67</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Item (iii) in Appendix-2</td>
<td>The Phase-1 should be commissioned by the beginning of 31&lt;sup&gt;st&lt;/sup&gt; month from the date of the award of the project, as per the tender document. For somebody to start the development, all the regulatory clearances are to be secured first. The proposed facility (ship repair) is considered ‘polluting’ and may require environmentally sensitive activities such as dredging and reclamations. Therefore, to get the environment clearance itself, a comprehensive EIA study may be required which may take around one year. Another 3 to 6 months may be spent in liaising with various statutory bodies and obtain the final clearance. In view of this, it is requested to consider date of securing all the required regulatory clearances as the start of concession period. “Obtaining Applicable Permits as may be required for commencement of Construction Works” is a Condition Precedent. As such, obtaining all statutory clearances required for this project including Environmental Clearance will be fulfilled by the Successful Bidder/Developer before the Date of Award of Project. In this context, attention is invited to the definitions of ‘Applicable Permits’ and ‘Date of Award of Project and Clauses 5.2 and 5.3 of the Bid Document.”</td>
</tr>
<tr>
<td>Item No.</td>
<td>1)</td>
<td></td>
</tr>
<tr>
<td>---------</td>
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<td></td>
</tr>
<tr>
<td>Appendix-2</td>
<td>The ship repair business is very cyclical business and a lot of time and resources would be spent in establishing the proposed facility in the market. Therefore, to reduce potential risks which a developer would face, we request that the developer be allowed to undertake development and commissioning of Phase-2 only when the facility for Phase-1 is fully utilized and is profitable to the developer.</td>
<td></td>
</tr>
<tr>
<td>P-69, 70</td>
<td>Not Acceptable. Bid conditions shall prevail.</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>To mitigate the risk of secondary partner bowing out of JV during the 30 years' concession period, we would also like to request that in the event of JV bid, the Lead member should be given flexibility to choose another replacement partner during the period, if the secondary partner bows out.</td>
<td></td>
</tr>
<tr>
<td>3.6</td>
<td>Not Acceptable. Bid conditions shall prevail.</td>
<td></td>
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<tr>
<td>P-21</td>
<td></td>
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<tr>
<td>7.</td>
<td>We request further that when the concession period of 30 years ends, the developer should be given first right of refusal for subsequent allotment of the facility on PPP basis.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>As per the prevailing Govt. Guidelines, there is no provision for giving right of first refusal to the Developer, for subsequent allotment of the facility after the 30 year Contract Period. However, this matter will be governed by the Govt. Guidelines issued by the Ministry from time to time.</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>We presume that providing any ancillary or allied industry as specified under point 6 of the Project Requirements section (Appendix-2) is optional and is not mandatory.</td>
<td></td>
</tr>
<tr>
<td>Appendix-2</td>
<td>Yes, it is optional.</td>
<td></td>
</tr>
<tr>
<td>P-69</td>
<td>Further, the developer should be free to undertake any business in the leased premises without permission from CoPT.</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>It is understood that there is a railway line passing through the proposed development area. It is requested that the railway siding to the Project Site is functional only up to the western boundary of Container Corporation of India Ltd. (CCL) site and thereafter be developed independently.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The railway siding to the Project Site is functional only up to the western boundary of Container Corporation of India Ltd. (CCL) site and thereafter be developed independently.</td>
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<tr>
<td>---</td>
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</tr>
<tr>
<td>10.</td>
<td>Appendix-3</td>
<td>It is further requested that the developer should be bound to employ 286 employees of CoPT only after commencement of operation of the facility. In fact, it will be desirable if the responsibility of the salary for the 50% or part of the total staff is continued to be borne by CoPT along with the entire contribution towards the pension payments of the all the employees.</td>
</tr>
<tr>
<td></td>
<td>P-73</td>
<td>Not Acceptable. Tender conditions shall prevail.</td>
</tr>
<tr>
<td>4.3</td>
<td>We would appreciate if the Performance Security of Rs. 39.25 Crore is reduced to some extent (may be 50%) so as to reduce the due payments right in the beginning of the construction.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>P-33</td>
<td>Not Acceptable. Tender conditions shall prevail.</td>
</tr>
<tr>
<td>12.</td>
<td>Item (v) in Appendix-2</td>
<td>Since the channel and waterfront ahead of the UTL jetty is not regularly used, there is lot of siltation taking place in the region. Keeping this in view, can CoPT undertake the full/part of responsibility to undertake necessary capital dredging for the operation of the proposed facility?</td>
</tr>
<tr>
<td></td>
<td>P-71</td>
<td>Not Acceptable. As indicated under Appendix 2: Project Requirements (MODIFIED), CoPT would be maintaining the common user channel at a depth not less than 6 metres upto the UTL Jetty; providing and maintaining the required depths beyond UTL jetty shall be the responsibility of the Developer.</td>
</tr>
<tr>
<td>13.</td>
<td>4.21.1</td>
<td>Furthermore, it is requested that a moratorium period be allowed for the payment of land and water lease along with the upfront payment of Rs. 12.92 Crore till the operation of the proposed facility starts. However,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Not Acceptable. Bid conditions shall prevail.</td>
</tr>
<tr>
<td>No.</td>
<td>Page(s)</td>
<td>Clarification/Question</td>
</tr>
<tr>
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</tr>
<tr>
<td>14.</td>
<td>P-46</td>
<td>We can give a bank guarantee for the payments during the period of construction and will release the due payments along with the interest (PLR+2%) once the operations start.</td>
</tr>
<tr>
<td>Cl. 1.6 (i) &amp; Item No. (2) under Explanatory notes</td>
<td>P-7 &amp; 15</td>
<td>As mentioned under point “2” on page 15 and point “c” on page 20 of the tender document, please clarify regarding the minimum average revenue requirements for the JV. We understand that the average aggregate turnover (adding individual turnover figures of the JV partners) should be Rs. 235.50 Crore for the last three years with none of the partners having turnover less than Rs. 100 Crore. Please confirm.</td>
</tr>
<tr>
<td>15.</td>
<td>P-9</td>
<td>As per the three layouts shared by COPT, the reclamation has been done to accommodate the facility. Can we presume that reclamation will be allowed?</td>
</tr>
</tbody>
</table>

In the case of a JV bidding for the project, the aggregate of average annual turnover of individual members (adding individual average turnover figures of the JV partners for the last three years) should not be less than Rs. 235.50 Crore (or equivalent foreign currency) with none of the partners having average annual turnover for the last three years less than Rs. 100 Crores.

Yes, subject to obtaining Environmental clearance from the MoE&F.

Sd/

CHIEF ENGINEER
ADDENDUM No. 2 TO THE TENDER DOCUMENT FOR DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION

(Bid No. CP/T-1589/2012-C)

P-30, Cl. 4.1- DEFINITIONS AND INTERPRETATION (MODIFIED) - item no. 14 of CORRIGENDUM/ADDENDUM No. 1:

The following definition may be included as Sl. no. (t) and Sl. Nos. (t) to (un) shall be renumbered as (uu) to (vv):

"Estimated Project Cost" means the cost of the Project as estimated by the Bidder/Developer and mentioned in the Financing Plan.

the definition of "Book Value" shall be replaced by the modified definition given below:

"Book Value" means the aggregate written down value as on the date of issue of the Termination Notice in the books of the Developer of:

the tangible assets (including capital works in progress) forming part of, fixed or attached to the ground, created, installed or provided by the Developer and comprised in Project Facilities and Services, which in the reasonable judgment of an Expert are capable of being put to use/utilized by the Employer; and

the moveable assets including the equipment, and machineries, belonging to the Developer, which the Employer agrees to take over;

in accordance with Indian Accounting Standards using depreciation rates as set forth in the (Indian) Companies Act, 1956, as applicable from time to time.

P-37, Cl. 4.13- SUB – LEASING: The sub-clause (a) shall be replaced by the following:

The Lessee/Developer shall not assign, transfer or underlet the demised land or the building(s)/structure(s) erected or to be erected thereon or any part thereof without the consent in writing of the Lessor/Employer. The Employer will consider any application for sublease only if it is necessary for the Project and reserves its right to refuse the same on any ground whatsoever. Upon assignment, transfer or sub-lease of the land demised or any part thereof or of the building to be erected thereon or any part thereof with the consent of the Lessor/ Employer in writing and at any rate within one Month of the date of such assignment, transfer or sublease, the Lessee/Developer shall deliver a notice of such assignment, transfer or sub-lease to the Lessor/Employer setting forth the names and descriptions of the parties thereto and particulars and effect thereof.
P-40, a new sub para (c) shall be included under Cl. 4.16.2- Notice of Force Majeure Event:

'(c) Notwithstanding the above, a Force Majeure claim by the Developer has to be proved to the satisfaction of and accepted by the Employer.'

P-48, Cl.4.23.1: The following shall be included as item no.(xi) at the end of the Sub clause [Also please see item no. 20 of CORRIGENDUM/ADDENDUM No. 1]

'(xi) Notice of Financial Default has been issued to the Developer by the Lenders, in accordance with the provisions in the SUBSTITUTION AGREEMENT.'

P-57, Cl. 4.33: GOVERNING LAW shall stand modified as follows:

'This Agreement shall be governed by and construed in accordance with the laws of the Republic of India and courts at Cochin having territorial jurisdiction over the Project shall have exclusive jurisdiction over all matters relating to or arising out of this Agreement.'

P - 59, the last para under Cl. 5.1 (b) and P-67, the last line in 5th para under Appendix -1 The PORT ASSETS TO BE TRANSFERRED TO THE DEVELOPER shall be replaced by the following:

'The remaining 7.0 ha of land area on the south side of the Workshop Compound, comprised in the Project Site, is envisaged to be handed over to the Developer in the second stage after the expiry of two years from the Date of Award of the Project, subject to execution of Lease Deed as per format at Annexure - XIII. However, the Employer would hand it over at an earlier date, provided the Developer's written request is received one year in advance.'

P-62, Cl. 6.4.1 shall be replaced by the following:

The Bidder/Consortium shall cause the Developer to be incorporated as a special purpose company to implement, operate and maintain the Project in accordance with this Agreement. However, this shall be optional if the Bidder is an existing Indian company incorporated under the provisions of the Companies Act, 1956. The shareholding pattern of the Developer/each member of the Consortium in the Developer shall be furnished by the Bidder/Developer for CoPT's information and records.

P. 69, APPENDIX-2 PROJECT REQUIREMENTS (MODIFIED) [item no. 25 of CORRIGENDUM/ADDENDUM No. 1]:

(a) The para no. 2 shall be replaced by the following:

'2. The ISRF shall focus on undertaking repair/building of small and medium size vessels [catering to large size vessels would not be a feasible proposition due to limitations of draft and Turning Circle (240m dia.) in the adjoining Mattancherry channel]. The Ship Repair Facility shall at the least be capable of handling vessels with the following broad parameters: Length (LOA) of the vessel - 130 m, Beam of the vessel - 25 m, Maximum Light Weight of the vessel in the dry dock position - 6000 T.'
(b) The para no. 5 shall be replaced by the following:

5. Facilities for repair and maintenance needs of CoPT

The existing facilities of the CoPT, which carry out the repairs, and maintenance of the port vessels and aids to navigation consisting of channel marking buoys and leading lights are transferred to the Developer. Therefore, the Developer has to ensure that repairs and maintenance of the CoPT’s vessels and aids to navigation consisting of channel marking buoys and leading lights are met, utilising the existing/new facilities, on priority basis. The terms and conditions of such repair works shall be as follows:

(a) The CoPT would register its major planned requirements at least 90 days in advance.

(b) The dry docking of a maximum of 4 (four) port vessels per annum shall be done without any docking charges.

(c) The repair and maintenance cost of the port vessels and navigational aids shall be finalized by mutual consultation between the Port and Developer. However, the rate shall not exceed the published rate of the Developer for those in the Schedule of Items. In case of items not included in the Schedule, the rate shall be based on actual cost of material and labour plus overhead plus profit. The overhead percentage shall be decided based on the performance details of the yard in the previous year and on mutual consultation. The profit margin shall be 10% of the cost plus overheads.

(d) Neither overheads nor profit margin shall be applicable in the case of materials/services/labour provided by CoPT for the execution of any of the aforementioned repair and maintenance works.

(e) However, the CoPT will have the option to carry out these repair and maintenance through the Developer or otherwise, according to its convenience.‘

P-74, APPENDIX- 3 EMPLOYING EXISTING PERSONNEL/LABOUR:

(a) The last para in page no. 74 read along with item no. 27 of CORRIGENDUM/ ADDENDUM No. 1 shall stand modified as follows:

‘The CoPT’s Employees engaged by the Developer shall be entitled for allotment of Port quarters, as per their eligibility had they been continuing in the Port Trust Service, in which case the recoveries like Licence Fee for quarter, water and electricity charges etc., as intimated by the CoPT, shall be recovered by the Developer and remitted to the CoPT without any cost to the CoPT. The Developer shall only be obliged to recover such installments if the CoPT provides a certificate (in form and content to the satisfaction of the Developer), of the amount to be recovered from the CoPT’s Employees, and provided that, the CoPT indemnifies the Developer for all consequences arising as a result of the Developer complying with the provisions of this Appendix. The Developer shall also pay directly to the Port on a monthly basis, the amount of
House Rent Allowance due in respect of CoPT employees engaged by him as per this Agreement and who are occupying Port quarters.'

(b) P-75, the second para shall stand modified as follows:

'The transfer of CoPT’s Employees (Two hundred and Eighty Six or so) will be one time and final. The CoPT shall not be filling up the vacancies in respect of the CoPT’s Employees engaged by the Developer after the transfer of the said employees. Vacancies due to attrition of transferred CoPT employees will not be filled up. The CoPT’s Employees transferred to the Developer and remaining in service, will be repatriated to the establishment of CoPT only on expiry of the Agreement or on termination of the Agreement.'

(c) P-73: 3rd para., 1st sentence read along with item No. 26 of CORRIGENDUM/ADDENDUM No. 1 shall be replaced by the following:

"The Developer shall take over the employees of the CoPT currently engaged at Workshop other than the following employees proposed to be retained in Port service ("CoPT’s Employees"):

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Designation</th>
<th>No. of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Exe. Engineer (M)</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Asst. Exe. Engineer (M)</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>AE (M)</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>Manager</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Sr. Accountant</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>Accountant</td>
<td>11</td>
</tr>
<tr>
<td>7</td>
<td>UDC</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>LDC</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>General Supervisor</td>
<td>3</td>
</tr>
<tr>
<td>10</td>
<td>Record Asst.</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32</td>
</tr>
</tbody>
</table>

The Developer shall bear the cost of said CoPT’s Employees for their period of employment with the Developer, with employment conditions of each employee and admissible claims arising out of the employment period with the Developer; being: (a) no less favorable than those applicable to them immediately before the take over; and (b) that in the event of retrenchment, compensation to such employees shall be on the basis that their services have been continuous and have not been interrupted by the take over.'
In ANNEXURE-XV : SUBSTITUTION AGREEMENT (MODIFIED) [item no. 30 of CORRIGENDUM/ADDENDUM No. 1]:

Under ARTICLE 5, the heading “5. TERMINATION OF CONCESSION AGREEMENT” shall be replaced by ‘5. TERMINATION OF PROJECT AGREEMENT’.

The paragraph under “Clause 5.3 Realisation of Debt Due”, shall be numbered as (i) and the following para. shall be included as (ii):

‘(ii) The Lenders shall not have any right or interest in the Project Site or the Port and Developer Assets therein and in the event of any Financial Default by the Developer, the Lenders can only proceed against assets of the Developer other than that in the Project Site.’

In “ARTICLE 7 INDEMNITY”, Clause 7.1.2 shall be deleted and the existing Clause 7.1.3 shall be renumbered as ‘Clause 7.1.2’.

Item No. (v) under Clause 8.1 shall stand modified as below:

‘The dispute or differences or claims as the case may be, shall be finally settled by binding arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be by a panel of three Arbitrators, one each to be appointed by the Employer and the Lenders/Lender’s Representative and the third to be appointed by the two arbitrators. If any Party entitled to do so, fails to appoint a second Arbitrator within 30 (thirty) Days of from the receipt of the request for such appointment, then the single Arbitrator appointed in accordance with this provision shall adjudicate the disputes as Sole Arbitrator.’

Item No. (vi) under Clause 8.1 shall stand modified as below:

‘This Agreement and rights and obligations of the Parties hereunder shall remain in full force and effect pending the Award in any arbitration proceeding hereunder. The courts at Cochin having territorial jurisdiction over the Project alone shall have exclusive jurisdiction over all matters arising out of or relating to the arbitration agreement contained herein or proceedings arising out of or relating to the arbitration proceedings thereunder.’

Sd/
CHIEF ENGINEER

नव व सुरेंद्र बाबू
N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015
No. CP/T-1589/2012-C 

Dated: 14/08/2012

Sir,

Sub: Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation - Bid No. CP/T-1589/2012-C.

Ref: (i) Bid Document for the subject work.

(ii) This office letters of even no. dated 30/06/2012, 13/07/2012 and 04/08/2012.

---

Please find attached a statement showing 'Further Queries from the Bidders and CoPT’s responses thereto', (Annex.I) for your reference and necessary action.

2. Please note that these documents would also form a part of the Bid Documents and are to be duly signed on all pages and submitted in Cover- A2 of the Bid. All the other terms and conditions remain unchanged.

Encl.: as above.

Yours faithfully,

Sd/

CHIEF ENGINEER
Virus-Free Mail Using AntiVirus for PostMaster Enterprise & Quick Heal Engine --!

नवी सुरेश बाबू
नवीर सुरेश बाबू
जनरल मैनेजर
जनरल मैनेजर
कोचीन शिपयार्ड लिमिटेड
कोचीन शिपयार्ड लिमिटेड
कोची / कोची - 682 015

V. Kala
वी. काला
अध्यक्ष सचिव
अध्यक्ष सचिव

CHIEF ENGINEER
8/16/2012
COCHIN PORT TRUST
TENDER FOR DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION  
(Bid No. CP/T-1589/2012-C)  
FURTHER QUERIES FROM THE BIDDERS AND CoPT'S RESPONSES THERE TO

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Ref. Clause</th>
<th>Bidders' Queries</th>
<th>CoPT's Responses</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
</tbody>
</table>

**BIDDER 'D'**

1. Appendix-1
   4th para  
   The height restriction mentioned on page 67 last line of para 4th mention that some area in the Layout Plan issued by CoPT is under the restriction by 14.5 mtr height, due to the flying funnel of Indian Navy. CoPT may issue another Layout Plan showing the area earmarked, which is the exact location and to what extent this flying funnel restriction exists.

   A Location Plan showing the approximate area under flying funnel is enclosed at Annex. -2.

2. Appendix-2
   Project Requirements  
   It is mentioned and the project is named as ISRF (International Ship Repair Facility). With only Ship Repairing, this project will not be in a position to generate the revenue for functioning the ISRF and to pay the due to CoPT as mentioned. The proposed 6 ships at a time for repairs and continuous operations are not possible according to the present situations in Cochin. Based on the draft limitations, other parameters in this location and the market study made that we have a strong feel this may not work out to generate the required revenue and we may end up in a stale mate. A proportional working out is inevitable to have the show running and for the continued 30 years of relationship. Hence the construction of ships and other connected Marine crafts and such activities are inevitable, to be included in the project. This may please be included in the layout plan.

   The shipyard full areas should be made operational and the developments should be planned accordingly for construction and repair to Rigs, SBM, Barges, Dredgers, tugs, other Marine Crafts and vessels also.

   It is clarified that the Developer will be free to undertake the repair/building of Rigs, SBM, Barges, Dredgers, tugs, other Marine Crafts and vessels, in addition to that of small and medium size vessels specified in Appendix-2: Project Requirements (MODIFIED) in the Bid Documents, read along with Sl. No. 8 of Addendum No.2 issued on 04/08/2012.
including will be taken over immediately on entering into the agreement and will start functioning within 30 days; this phase shall be continued for two years, till the new facilities are established to start functioning of the second phase. The Second phase will go on for three more years with the new facilitated and additions. In the meanwhile, the third phase facilities installation will be carried out.

In the Third phase there can be one more dry dock and a slipway for utilisation suitably for construction of ships / other vessels/ rigs etc., also for the repairing of vessels by slipping/launching. This phase will be of heavy investment by having the second phase dry dock also. The Southern end portion where the future expansion area can be further extended further towards South, in line with the existing wharf frontage and parallel to the Mattancherry channel by reclaiming the area by constructing a retaining wall. Most of the dredged materials can be dumped into this area and approximately 24,000 M³ of new area with water frontage can be reclaimed / developed which could be utilised for various other activities, like the International Engineering Colleges, Training Institutions etc.

(i) commence operations with the existing facilities immediately on its taking over, subject to obtaining all Applicable Permits as may be required for its operation, as proposed;

and

(ii) provide and operate facilities and services over and above the minimum facilities and services spelled out in the Project Requirements, provided they meet the other Bid conditions.

Also, please refer to Sl. No. 4 hereinabove.

Su'

CHIEF ENGINEER
No. CP/T-1589/2012-C

Dated: 17/08/2012

To

List Attached.

Sir,

Sub: Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation - Bid No. CP/T-1589/2012-C.

Ref: (i) Bid Document for the subject work.
(ii) This office letters of even no. dated 30/06/2012, 13/07/2012, 04/08/2012 and 14/08/2012.

Please find attached ‘Addendum No. 3 to the Bid Document’ for your reference and necessary action.

2. Please note that the above document would also form a part of the Bid Documents and are to be duly signed on all pages and submitted in Cover- A2 of the Bid. All the other terms and conditions remain unchanged.

Encl.: as above.

Yours faithfully,

Sd/-

CHIEF ENGINEER

[Signature]

[Name]

[Title]

[Company]

[Address]
ADDENDUM No. 3 TO THE TENDER DOCUMENT FOR DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT W/ISLAND WITH PRIVATE SECTOR PARTICIPATION

(Bid No. CP/T-1589/2012-C)

P-76 to 78 "LIST OF EXISTING CoPT EMPLOYEES AT WORKSHOP PROPOSED FOR TRANSFER TO THE DEVELOPER" (read along with Chief Engineer’s letter No. CP/T-1589/2012-C dated 04/08/2012 and item No. 9 (c) of ADDENDUM No. 2) shall be replaced by the following:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Designation</th>
<th>Salary Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Supdtg. Engineer (M)</td>
<td>24900-50500</td>
</tr>
<tr>
<td>2</td>
<td>Welfare Officer</td>
<td>20600-46500</td>
</tr>
<tr>
<td>5</td>
<td>Asst. Engineer (M)</td>
<td>16400-40500</td>
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<tr>
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<td>7</td>
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<td>8</td>
<td>Asst. Foreman (Fitting)</td>
<td>12100-30800</td>
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<td>9</td>
<td>Fitter HSK-I</td>
<td>11000-29400</td>
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<tr>
<td>10</td>
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<td>11</td>
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<td>36</td>
<td>Chargeman (D&amp;L)</td>
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<tr>
<td>37</td>
<td>Head Rigger</td>
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<td>74 Chargeman</td>
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<tr>
<td>75 Head Rigger</td>
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<td>76 Rigger</td>
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<td>77 Progress Chaser HSK</td>
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<td>78 Store Attender</td>
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<td>80 Head Sweeper</td>
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<td></td>
<td>Total</td>
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DOCUMENTS IN SUPPORT OF TIN/PAN

Dr. Kala
V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi / Kochi - 682 015.

- 238 -
**CERTIFICATE OF REGISTRATION**

**KERALA VALUE ADDED TAX RULES, 2005**

*Serial No.* 125117

**FORM No. 4**

(Not Transferable)

[See Rule 17(14)]

**TIN** 22070347482C

This is to certify that registration under Section 16 of the Kerala Value Added Tax Act, 2003 has been granted to:

<table>
<thead>
<tr>
<th>Business Name &amp; Address</th>
<th>Cochin Shipyard Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ponnani Road, Cochin - 15</td>
</tr>
</tbody>
</table>

| Status (Indicate whether Proprietorship/Partnership/ Company) | Public Ltd Company |

| Full Name of Proprietor/ Mgr. Partner/Mgr. Director | M. Jithendiran |

1. This certificate is valid from ... until cancelled/ suspended/ surrendered and subject to renewal every year as per Rules.

2. This certificate is issued for the principal place of business/branch, place of business at ... (strike out whichever is not applicable).

3. Details of Branches (if any) **NIL**

4. Details of godowns (if any) **NIL**

5. Description of goods dealt with **Shipbuilding and shiprepairing**

---

Place: K.K.M.

Date: 30.9.2003

Signature of the Registering Authority

**COCHIN PORT TRUST**
COCHIN SHIPYARD LIMITED

DATE OF INCORPORATION/FORMATION:
29-03-1972

In case this card is lost/found, kindly inform/return to the issuing authority :
Commissioner of Income-tax,
Cochin Charge, Central Revenue Building,
I.S. Press Road,
Cochin - 682 018.

N. V. Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi / Kochi - 682 015

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi / Kochi - 682 015

CHIEF ENGINEER
COCHIN PORT TRUST
UNDEARTAKING ON ANY PAYMENT OR ILLEGAL GRATIFICATION
ANNEXURE - II

PROFORMA OF UNDERTAKING REGARDING ILLEGAL METHODS FOR INFLUENCING BID PROCESS
[Ref. Clause 3.2.2.2 (vi)]

To
The Chief Engineer,
Cochin Port Trust,
Cochin 682009.
Kerala, India.

Dear Sir,

I/We do hereby undertake that I/We have not made any payment or illegal gratification to any person/authority connected with the bid process of Tender No. CP/T-1589/2012-C, so as to influence the bid process and have not committed any offence under the PC Act in connection with the Bid.

Yours faithfully,

Signature
Name & Designation

[Signature]

N V Surash Babu
General Manager
Cochin Shipyards Limited
Kochi - 682 015

- 242 -
STATEMENT DISCLOSING PAYMENT MADE/PROPOSED TO BE MADE TO THE INTERMEDIARIES
ANNEXURE – III

PROFORMA OF DISCLOSURE OF PAYMENT MADE / PROPOSED TO BE MADE TO THE INTERMEDIARIES IN CONNECTION WITH THE BID
[Ref. Clause 3.2.2.2 (vii)]

To

The Chief Engineer,
Cochin Port Trust,
Cochin 682009.
Kerala, India.

Dear Sir,

I / We have made / proposed to make the following payments in connection with the Bid No. CP/T-1589/2012-C.

1. __________ to Mr./Ms./Messrs (Name and Address)
2. __________ to Mr./Ms./Messrs (Name and Address)
3. __________ to Mr./Ms./Messrs (Name and Address)

Signature

Name & Designation

Yours faithfully,

Note: In case no payment is made or proposed to be made a nil statement shall be enclosed.
UNDERTAKING ON NO CHANGES MADE IN THE BID
ANNEXURE - IV

PROFORMA OF UNDERTAKING THAT NO CHANGES HAVE BEEN
MADE IN THE TENDER DOCUMENT DOWNLOADED
[Ref. Clause 3.2.2.2 (viii)]

To,

The Chief Engineer,
Cochin Port Trust,
Cochin - 682009.
Kerala, India.

Dear Sir,

We, Cochin Shipyard Limited, Cochin, do hereby confirm that no changes have been made in the tender document downloaded and submitted by us for the Tender No. CP/T-1589/2012-C.

Yours faithfully,

Signature:

Name & Designation:

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

NDV

Purushottam Chavan:

Chief Engineer

Cochin Port Trust

Registered Office: Administrative Building, P.O. Bag No. 1653, Perumanoor P.O., Kochi - 682 015

Phone: +91(484)2361181/2380181/2366340

Fax: +91(484)2370897/2383902

E-mail: info@cochinshipyard.com
ANNEXURE – V

PROFORMA OF POWER-OF-ATTORNEY/LETTER OF AUTHORITY

[Ref. Clause 3.2.2.2 (ix) (a) (ii)]

To

The Chief Engineer,
Cochin Port Trust,
Cochin 682009.
Kerala, India.

Dear Sir,

We, Cochin Shipyard Limited, Cochin, do hereby confirm that Mr Sureshbabu NV, General Manager (Ship Repair), Cochin Shipyard Limited is authorized to represent us to bid, negotiate and conclude the agreement on our behalf with you against Tender No. CP/T-1589/2012-C.

We confirm that we shall be bound by all and whatsoever our said agents shall commit.

Signature

Name & Designation

For & on behalf of:

Yours faithfully,

[Signature]

[Name]

[Designation]

[Company]

[Address]

[Signature, name and seal of Cochin Shipyard Limited]

[Name of Company Secretary]

[Address]

[Signature of Chief Engineer]

[Name of Chief Engineer]

[Address]

[Registered Office]

[Registered Office]

[Office]

[Office]

[Office]

[Office]
UNDEARTAKING THAT COVER B
DOES NOT CONTAIN ANY
CONDITION AS PER PROFORMA
AT ANNEXURE – VII
ANNEXURE – VII

PROFORMA OF UNDERTAKING THAT COVER B DOES NOT CONTAIN ANY CONDITION.

[Ref. Clause 3.2.2.2 (xii)]

To

The Chief Engineer,
Cochin Port Trust,
Cochin 682009.
Kerala, India.

Dear Sir,

We, Cochin Shipyard Limited, Cochin, do hereby confirm that Cover-B, (Price Bid) of the tender submitted by us for the Tender No. CP/T-1589/2012-C, does not contain any condition.

Yours faithfully,

Signature

Name & Designation

N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

Chief Engineer
Cochin Port Trust
FORMAT OF PRICE BID WITHOUT PRICE
ANNEXURE-VIII

FORMAT OF PRICE BID (MODIFIED)
DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR
FACILITY AT WISLAND WITH PRIVATE SECTOR PARTICIPATION

(Ref. Clauses 3.2.3, 3.2.4, 3.14.1, 4.21.2 and 4.21.4)

<table>
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<tr>
<th>SI No.</th>
<th>Description of Work</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Upfront Fee (UF) which the Bidder undertakes to pay to CoPT in consideration of the Port Assets to be transferred to the Bidder/ Developer</td>
<td>In Figures: X, In Words: x</td>
</tr>
<tr>
<td>2.</td>
<td>Guaranteed Amount (GA) – which the Bidder undertakes to pay per annum to CoPT, during the Contract Period of 30 years:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1&lt;sup&gt;st&lt;/sup&gt; year</td>
<td>In Figures: X, In Words: x</td>
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<td></td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; year</td>
<td>In Figures: X, In Words: x</td>
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<td></td>
<td>3&lt;sup&gt;rd&lt;/sup&gt; year</td>
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<td>29&lt;sup&gt;th&lt;/sup&gt; year</td>
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<td></td>
<td>30&lt;sup&gt;th&lt;/sup&gt; year</td>
<td>In Figures: X, In Words: x</td>
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Notes:
1. The Price Bid shall be valid for a period of 120 days from the Bid Due Date.
2. In addition to the above payments, the Developer shall make the Upfront Payment of INR 12.92 Crores and the Annual Lease Rentals for the Leased Premises, as indicated in Clause 4.21 of the Bid Document.

Date: ______________

Signature and Name of the Bidder: [Signature]

Suresh Babu, C.O. E-mail: info@cochinshipyard.com

CHIEF ENGINEER

COCHIN SHIPYARD LIMITED

KOCHI - 682 015, INDIA
ANNEXURE-XVI
ANNEXURE –XVI

DETAILS FOR SEEKING SECURITY CLEARANCE

Details of companies/Bidders/Consortium Partner(s)

i. Name of the Company/ Consortium Members and their address, including Address of Indian subsidiary or branch/liaison office, etc.

ii. List of Promoters /Board of Directors of bidders /consortium members with particulars like Name, Address, Permanent & Present, Nationality, etc.

iii. Nature of the company, whether private or state-owned entity.

iv. Shareholding details with particulars of entities/ individuals having more than 5% stake with ownership details to the last layer indicating the promoting individuals’ name.

v. Parental organization and sister concerns.

vi. Number of foreign national likely to be required for the execution of the project and their likely locations/deployment.

vii. Presence of the investing companies/ Bidders/Consortium Partners and shareholders in the countries across the world, including collaborations with other foreign companies.

(Contd....)
<table>
<thead>
<tr>
<th>SL No.</th>
<th>Full Name of Board Directors</th>
<th>Date of Birth</th>
<th>Percentage**</th>
<th>Complete Present &amp; Permanent Address</th>
<th>Nationality</th>
<th>Passport Nos. &amp; Issue date, if any***</th>
<th>Contact Address &amp; Telephone Number, if any</th>
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</tr>
</tbody>
</table>

(i) For individuals (Board of Directors)*

(ii) For Companies/ Firms*

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Full Name of Companies and its foreign collaborator if any; including details of Board of Directors as in (i) above</th>
<th>Date of Registration</th>
<th>Present Permanent Address including address of Head Office, Regional offices and registered office</th>
<th>Link with other firm</th>
<th>Activities and other business owned</th>
<th>Name of CEO’s partners (with details)</th>
<th>Shareholding pattern for Applicant Company and investing company</th>
<th>Details of earlier approvals, if any (Ref No. &amp; Date)</th>
<th>Ultimate ownership of shareholders and the investing company along with detailed particulars of owners.</th>
<th>Presence of investing companies and shareholders in countries across the world, including collaborations with other foreign companies</th>
</tr>
</thead>
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</table>
PROPOSED PLAN OF DEVELOPMENT OF THE ISRF COMPLYING WITH THE PROJECT REQUIREMENTS AS SET OUT IN APPENDIX -2
COCHIN SHIPYARD LTD.
(A GOVERNMENT OF INDIA ENTERPRISE)
KOCHI - 682 015, INDIA

SRMTKG/CPT/2012

PROJECT PROPOSAL

1. Cochin Shipyard Limited (CSL) has been operating and maintaining the following facilities for Shipbuilding and Shiprepair for more than 30 years at Cochin-15.
   a. Dry Dock No.1 for repair of ships up to 1,25,000 Dwt capacity
   b. Dry Dock No.2 for building ships up to 1,10,000 Dwt capacity.
   c. Slave Dock for docking vessels up to 2000T
   d. Floating Pontoons that can berth small ships.
   e. Ship berthing quays (3 Nos.) with service facilities totaling 1000 m long.
   f. Various small crafts and dredge pump equipment for rope handling, sounding check, quayside clearing of mud, etc.
   g. Workshops with machinery & equipment for all shipbuilding and repair related works, Steel fabrication shops, Pipe shops, Compressors, Blasting and Painting facilities, Cranes upto 300 T capacity, Main Receiving Station for electricity and Captive Power Plant, Training School for workmen and Marine Engineering, Materials testing laboratory with National Accreditation, etc.
   h. In addition to its own strong team of officers and workmen, an efficient subcontract team is maintained for specialised and nonpermanent type of works, especially in shiprepair.
   i. The yard is certified for and maintains its own Quality, Health, Standards and Environment system (QHSE) and Port Facility Security Organization.

2. Against Tender No. CPT/1589/2012-C for DEVELOPMENT AND OPERATION OF AN INTERNATIONAL SHIP REPAIR FACILITY AT WIISLAND WITH PRIVATE SECTOR PARTICIPATION, Cochin Shipyard shall install a Shiplift and Transfer System in the reclaimed and developed area as proposed in the Master Plan (Alternative 3) prepared by the Technical Consultant for Cochin Port Trust and received along with the clarifications after the pre-bid meeting with slight changes. The size of the shiplift system would be approximately 120 m long, 30 m wide lifting platform and of capacity to handle light ship weights upto 6000 tonnes, LOA 130 m and Beam 25 M maximum. It is noticed that part the area for the shiplift and transfer stations in the Master Plan are falling within the flying funnel of the Indian Navy (Ref. Drg. No. 9664/03/2012 dated 13/08/2012) and hence height of cranes for ship repair works will be decided later.
3. From the copy of technical Model Study report by the CWPRS in May 2012, it is understood that the Port Trust has not undertaken Siltation Control Study, Hydrographic Study of the waterfront, Environment Impact Assessment and Model Study to develop land for the shiplift system and for dredging and maintaining the required depth of water at the Mattanchery Channel in front of the land proposed to be leased out. A competent agency like CWPRS may need a year round study (all seasons) for these details and thereafter would furnish their reports. Therefore, a project schedule (with minimum duration) shall be mutually discussed and arrived at with CoPT in case CSL succeeds in winning the bid.

4. A bar chart based on the schedule given in the tender is enclosed. All project related works, starting with various studies, project design, execution and commissioning, are proposed to be entrusted with firms of international repute by fulfilling necessary guidelines to Public Sector to award infrastructure work contracts. These will be constantly overseen by a Project Team nominated from CSL who will also liaise with Port Trust officials and furnish necessary reports as required under the agreement with the latter. This project team will be stationed at the site so that the project can be coordinated and Port related clearances could be obtained faster with the close cooperation of the Port officials. This project team shall be empowered to make all decisions connected with execution of the project works so that these can be completed without time and cost over-runs.

5. Ship Repair works can commence at a low key when the existing dry dock is refurbished with new dock gate and arrangement of handling equipment. This is likely to be achieved during the first year after fully taking over. Major shortage of facility is of handling equipment at this dry dock. Hiring of such facilities are found costly and scarcely available at critical times of work. They also have a long lead-time for procurement. Also, other construction works and dredging of the waterfront are likely to disrupt work in this dock.

6. Preparation of specifications and ordering of bulk materials and machinery for the project shall start concurrent with progress of design and drawing works. Permission to draw power and fresh water from the existing sources may be granted until own connections are established for the new project.

7. Total Station Survey of the area to be handed over may be conducted by the Port Trust before the Agreement is signed so as to ascertain exact dimensions, borders and to fix the Lease Rent payable. Survey map issued by the State Land Revenue Department shall form part of the agreement. Facility planning and land utilization of the seven (7) hectares of land that CoPT is to hand over after two years from signing of the agreement is critical to this project's overall, planning and implementation and in turn its viability. This area may also be clearly demarcated in the survey map.

8. In case there are adverse study reports and environment clearance not obtained to dredge and develop in this portion of the channel due to any reason like its proximity to the heritage bridge, fishing harbour or existing Central Fisheries institution, other
ecological issues, etc., there shall have alternate plans by the Port Trust to provide adjacent land suitable for the proposed project.

9. Finally, we would like to conclude that CSL has a reputation to complete projects on time. All infrastructure facilities existing at present and the ongoing ones are contracted and executed under supervision by officials of the yard. Suppliers and their specialists are associated during installation and commissioning of facilities/equipment. Similarly, all shipbuilding and shiprepair projects are executed on quoted time schedules in this yard. CSL is a Government of India Undertaking and is a profit making company for more than a decade. We have been successful in maintaining very cordial labour relations with trade unions and no working day has been lost on account of labour unrest for more than two decades.

10. A rough and preliminary Layout Plan of the proposed shiprepair facility, in line with the Master Plan (Alternative 3) prepared by KITCO, is also attached for reference.
BAR CHART FOR VARIOUS ACTIVITIES TO BE UNDERTAKEN FOR DEVELOPMENT OF THE ISRF
<table>
<thead>
<tr>
<th>SI</th>
<th>Description</th>
<th>Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Siltation study with model, hydrographic study, EIA and reports</td>
<td>03 06 09 12 15 18 21 24 27 30 33 36 39 42 45 48 51 54 57 60</td>
</tr>
<tr>
<td>2</td>
<td>Renew Dry Dock gate, etc.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Approval by MoEF</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Project design and drawings</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Reclamation &amp; install</td>
<td></td>
</tr>
<tr>
<td></td>
<td>i. Ph.-I Shiplift + 2 work stations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii. Ph-II 2 work stations &amp; shops</td>
<td></td>
</tr>
<tr>
<td></td>
<td>iii. Ph-III 2 work stations</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Misc. fabrication facilities</td>
<td></td>
</tr>
</tbody>
</table>
COCHIN SHIPYARD LTD
P.O. BAG NO. 1653
COCHIN - 682 015.
INDIA.

TENDER FOR DEVELOPMENT & OPERATION OF AN
INTERNATIONAL SHIP REPAIR FACILITY AT WILLINGDON ISLAND

TENDER NO. CP/T-1589/2012-C

Presented to

COCHIN PORT TRUST

VOLUME-II

22 AUGUST 2012
## Development and Operation of an International Ship Repair Facility at WISLAND with Private Sector Participation

(Ref. Clause 3.2.3, 3.2.4, 3.14.1, 4.212 and 4.21.4)

<table>
<thead>
<tr>
<th>SL No</th>
<th>Description of work</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>In Figures</td>
</tr>
<tr>
<td>I</td>
<td><strong>Upfront Fee (UF)</strong> which the Bidder undertakes to pay to CoPT in consideration of the Port Assets to be transferred to the Bidder/ Developer.</td>
<td>750,000,000</td>
</tr>
<tr>
<td>II</td>
<td><strong>Guaranteed Amount (GA)</strong> which the Bidder undertakes to pay per annum to CoPT during the Contract Period of 30 years:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1st year</td>
<td>1,000,000</td>
</tr>
<tr>
<td></td>
<td>2nd year</td>
<td>2,000,000</td>
</tr>
<tr>
<td></td>
<td>3rd Year</td>
<td>2,500,000</td>
</tr>
<tr>
<td></td>
<td>4th Year</td>
<td>11,000,000</td>
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<td>5th Year</td>
<td>13,000,000</td>
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<td></td>
<td>6th Year</td>
<td>19,000,000</td>
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<td>7th Year</td>
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<td>8th Year</td>
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<td>9th Year</td>
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<td>10th Year</td>
<td>47,000,000</td>
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<td>11th Year</td>
<td>75,000,000</td>
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<td>12th Year</td>
<td>106,000,000</td>
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<td>13th Year</td>
<td>141,000,000</td>
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<td>14th Year</td>
<td>150,000,000</td>
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<td>15th Year</td>
<td>160,000,000</td>
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<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>-----</td>
<td>-----------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>16th Year</td>
<td>Rupees Seventeen Crores only</td>
<td></td>
</tr>
<tr>
<td>17th Year</td>
<td>181,000,000</td>
<td>Rupees Eighteen Crores Ten lakhs only</td>
</tr>
<tr>
<td>18th Year</td>
<td>190,000,000</td>
<td>Rupees Nineteen Crores only</td>
</tr>
<tr>
<td>19th Year</td>
<td>199,000,000</td>
<td>Rupees Nineteen Crores Ninety lakhs only</td>
</tr>
<tr>
<td>20th Year</td>
<td>209,000,000</td>
<td>Rupees Twenty Crores Ninety lakhs only</td>
</tr>
<tr>
<td>21st year</td>
<td>220,000,000</td>
<td>Rupees Twenty Two Crores only</td>
</tr>
<tr>
<td>22nd year</td>
<td>231,000,000</td>
<td>Rupees Twenty three Crores Ten lakhs only</td>
</tr>
<tr>
<td>23nd year</td>
<td>243,000,000</td>
<td>Rupees Twenty four Crores Thirty lakhs only</td>
</tr>
<tr>
<td>24th Year</td>
<td>255,000,000</td>
<td>Rupees Twenty Five Crores Fifty lakhs only</td>
</tr>
<tr>
<td>25th Year</td>
<td>267,000,000</td>
<td>Rupees Twenty Six Crores Seventy lakhs only</td>
</tr>
<tr>
<td>26th Year</td>
<td>281,000,000</td>
<td>Rupees Twenty Eight Crores Ten lakhs only</td>
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<tr>
<td>27th Year</td>
<td>295,000,000</td>
<td>Rupees Twenty Nine Crores Fifty lakhs only</td>
</tr>
<tr>
<td>28th Year</td>
<td>309,000,000</td>
<td>Rupees Thirty Crores Ninety lakhs only</td>
</tr>
<tr>
<td>29th Year</td>
<td>325,000,000</td>
<td>Rupees Thirty Two Crores Fifty lakhs only</td>
</tr>
<tr>
<td>30th Year</td>
<td>341,000,000</td>
<td>Rupees Thirty Four Crores Ten lakhs only</td>
</tr>
</tbody>
</table>

**Note:** In addition to the above payments, the Developer shall pay the Upfront payment of INR 12.92 Crores and the Annual Lease Rental for the Leased Premises as indicated in Clause 4.21 of this Bid Document.
ANNEXURE – 1

FORMAT OF PRE-CONTRACT INTEGRITY PACT

[Ref. Clause 3.2.2.2 (iv)]

General

This pre bid pre contract Agreement (hereinafter called the Integrity Pact) is made on..............day of the month of ............20........, between, on one hand, the Board of Trustees of Cochin Port Trust acting through Shri. ..............(Designation of the Officer), Cochin Port Trust (hereinafter called the BUYER/EMPLOYER, which expression shall 'mean and include, unless the context otherwise requires, his successors in office and assigns) of the First Part and M/s........................................represented by Shri.................................(Chief Executive Officer (hereinafter called the "BIDDER/SELLER/DEVELOPER" which expression shall mean and include, unless the context otherwise requires, his successors and permitted assigns) of the Second Part.

WHEREAS the BUYER/EMPLOYER has invited bids for the project of 'Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation' (hereinafter referred to as the Project*) and the *BIDDER/SELLER/DEVELOPER* is submitting his Bid for the Project, and

WHEREAS the BIDDER is a Private Limited Company / Public Limited Company/Government undertaking/registered partnership firm/Joint Venture/Consortium, constituted in accordance with the relevant law in the matter and the BUYER/EMPLOYER Cochin Port Trust.

NOW, THEREFORE,

To avoid all forms of corruption by following a system that is fair, transparent and free from any influence/prejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into with a view to:

Enabling BIDDERs to abstain from bribing or indulging in any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also abstain from bribing and other corrupt practices and the BUYER/EMPLOYER will commit to prevent corruption, in any form, by its officials by following transparent procedures.

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

N V Suresh Babu
General Manager
Cochin Shipyard Limited
Kochi - 682 015

CHIEF ENGINEER
Cochin Port Trust

[Stamp]
The parties hereto hereby agree to enter into this Integrity Pact and agree as follows:

Commitment of the BUYER/EMPLOYER

1.1 The BUYER/EMPLOYER undertakes that no official of the BUYER/EMPLOYER, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the BIDDER, either for themselves or for any person, organisation or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.

1.2 The BUYER/EMPLOYER will, during the pre-contract stage, treat all BIDDERs alike and will provide to all BIDDERs the same information and will not provide any such information to any particular BIDDER which could afford an advantage to that particular BIDDER in comparison to other BIDDERs.

1.3 All the officials of the BUYER/EMPLOYER will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

2. In case any such preceding misconduct on the part of such official(s) is reported by the BIDDER to the BUYER/EMPLOYER with full and verifiable facts and the same is prima facie found to be correct by the BUYER/EMPLOYER necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the BUYER/EMPLOYER and such a person shall be debarred from further dealings related to the contract process. In such a case, while an enquiry is being conducted by the BUYER/EMPLOYER the proceedings under the contract would not be stalled.

Commitments of BIDDER

3. The BIDDER commits itself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of its bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commit itself to the following:

3.1 The BIDDER will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER/EMPLOYER, connected directly or indirectly with the bidding process, or to any person, organisation or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.

3.2 The BIDDER further undertakes that it has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favour, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the BUYER/EMPLOYER or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favour or disfavour to any person in relation to the contract or any other contract with the Government.
3.3* BIDDERs shall disclose the name and address of agents and representatives and Indian BIDDERs shall disclose their foreign principals or associates.

3.4* BIDDERs shall disclose the payments to be made by them to agents/brokers or any other intermediary, in connection with this bid/contract.

3.5* The BIDDER further confirms and declares to the BUYER/EMPLOYER that the BIDDER has not engaged any individual or firm or company whether Indian or foreign to intercede, facilitate or in any way to recommend to the BUYER/EMPLOYER or any of its functionaries, whether officially or unofficially to the award of the contract to the BIDDER, nor has any amount been paid, promised or intended to be paid to any such individual, firm or company in respect of any such intercession, facilitation or recommendation.

3.6 The BIDDER, either while presenting the bid or during pre contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the BUYER/EMPLOYER or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.

3.7 The BIDDER will not collude with other parties interested in the contract to impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.

3.8 The BIDDER will not accept any advantage in exchange for any corrupt practice, unfair means and illegal activities.

3.9 The BIDDER shall not use impropriety for purposes of competition or personal gain, or pass on to others, any information provided by the BUYER/EMPLOYER as part of the business relationship, regarding plans, technical proposals and business details, including information contained in any electronic data carrier. The BIDDER also undertakes to exercise due and adequate care lest any such information is divulged.

3.10 The BIDDER commits to refrain from giving any complaint directly or through any other manner without supporting it with full and verifiable facts.

3.11 The BIDDER shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

3.12 If the BIDDER or any employee of the BIDDER or any person acting on behalf of the BIDDER, either directly or indirectly, is a relative of any of the officers of the BUYER/EMPLOYER, or alternatively, if any relative of an officer of the BUYER/EMPLOYER has financial interest/stake in the BIDDER's firm, the same shall be disclosed by the BIDDER at the time of filing of tender.

The term relative for this purpose would be as defined in Section 6 of the Companies Act 1956.

3.13 The BIDDER shall not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the BUYER/EMPLOYER.
4. Previous Transgression

4.1 The BIDDER declares that no previous transgression occurred in the last three years immediately before signing of this Integrity Pact, with any other company in any country in respect of any corrupt practices envisaged hereunder or with any Public Sector Enterprise in India or any Government Department in India that could justify BIDDER’s exclusion from the tender process.

4.2 The BIDDER agrees that if it makes incorrect statement on this subject, BIDDER can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

5. Earnest Money (Security Deposit)

5.1 While submitting the bid, the BIDDER shall deposit an amount (to be specified in Bid Document) as Earnest Money, with the BUYER/EMPLOYER through the following instruments:

(i) Demand Draft or a Banker’s Cheque in favour of and/or

(ii) A confirmed guarantee by an Indian Nationalised Bank, promising payment of the guaranteed sum to the BUYER/EMPLOYER within 3 days of receipt of written demand from the EMPLOYER, without any demur whatsoever and without seeking any reasons whatsoever. The demand for payment by the BUYER/EMPLOYER shall be treated as conclusive proof of payment.

(iii) Any other mode or through any other instrument (to be specified in the Bid Documents).

5.2 The Earnest Money shall be valid up to a period of 180 days from Bid Due Date.

5.3 In the case of Successful Bidder, a Performance Security in the form of a Bank Guarantee valid till the successful Completion of the Contract Period will also be furnished to the BUYER/EMPLOYER, within 28 days of Letter of Acceptance of the Bid by the BUYER/EMPLOYER.

5.4 In case of the successful BIDDER, a clause would also be incorporated in the Article pertaining to Performance Security in the Project Contract that the provisions of Sanctions for Violation shall be applicable for forfeiture of Performance Security in case of a decision by the BUYER/EMPLOYER to forfeit the same without assigning any reason for imposing sanction for violation of this Pact.

5.5 No interest shall be payable by the BUYER/EMPLOYER to the BIDDER on Earnest Money/Security Deposit for the period of its currency.

6. Sanctions for Violations

6.1 Any breach of the aforesaid provisions by the BIDDER or any one employed by it or acting...
on its behalf (whether with or without the knowledge of the BIDDER) shall entitle the
BUYER/EMPLOYER to take all or any one of the following actions, wherever required:

(i) To immediately call off the pre contract negotiations without assigning any
reason or giving any compensation to the BIDDER. However, the proceedings with the
other BIDDER(s) would continue.

(ii) The Earnest Money Deposit (in pre contract stage) and/or Performance
Security (after the contract is signed) shall stand forfeited either fully or partially, as
decided by the BUYER/EMPLOYER and the BUYER/EMPLOYER shall not be required to
assign any reason therefore.

(iii) To immediately cancel the contract, if already signed, without giving any
compensation to the BIDDER.

(iv) To cancel all or any other Contracts with the BIDDER. The BIDDER shall, be liable to
pay compensation for any loss or damage to the BUYER/EMPLOYER resulting from such
cancellation/rescission and the BUYER/EMPLOYER shall be entitled to deduct the
amount so payable from the money(s) due to the BIDDER.

(v) To debar the BIDDER from participating in future bidding processes of the
Government of India for a minimum period of five years, which may be further extended at
the discretion of the BUYER/EMPLOYER.

(vi) To recover all sums paid in violation of this Pact by BIDDER(s) to any middleman or
agent or broker with a view to securing the contract.

(vii) Forfeiture of Performance Security in case of a decision by the BUYER/EMPLOYER,
to forfeit the same without assigning any reason for imposing sanction for violation of
this Pact.

6.2 The BUYER/EMPLOYER will be entitled to take all or any of the actions mentioned at para
6.1(i) to (x) of this Pact also on the Commission by the BIDDER or any one employed by it or
acting on its behalf (whether with or without the knowledge of the BIDDER), of an offence as
defined in Chapter IX of the Indian Penal code, 1860 or Prevention of Corruption Act,
1988 or any other statute enacted for prevention of corruption.

6.3 The decision of the BUYER/EMPLOYER to the effect that a breach of the provisions of this
Pact has been committed by the BIDDER shall be final and conclusive on the BIDDER.
However, the BIDDER can approach the Independent Monitor(s) appointed for the
purposes of this Pact.

7. **Fall Clause**

7.1 The BIDDER undertakes that it has not performed /is not performing similar project at a
price lower than that offered in the present bid in respect of any other Ministry/Department
of the Government of India or PSU and if it is found at any stage that similar project was
performed by the BIDDER to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the BIDDER to the BUYER/EMPLOYER, if the contract has already been concluded.

8. Independent Monitors

8.1 The BUYER/EMPLOYER has appointed the following Independent Monitors (hereinafter referred to as Monitor) for this Pact in consultation with the Central Vigilance Commission.

Shri. P.C.Cyriac, IAS (Retd.), 28/3551 B, Waterfront Enclave, Off Chilavannor Road, Cochin 682 020.

8.2 The task of the Monitors shall be to review independently and objectively, whether and to what extent the parties comply with the obligations under this Pact.

8.3 The Monitors shall not be subject to instructions by the representatives of the parties and perform their functions neutrally and independently.

8.4 Both the parties accept that the Monitors have the right to access all the documents relating to the project/bidding, including minutes of meetings.

8.5 As soon as the Monitor notices, or has reason to believe, a violation of this Pact, he will so inform the Authority designated by the BUYER/EMPLOYER.

8.6 The BIDDER(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the BUYER/EMPLOYER including that provided by the BIDDER. The BIDDER will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor shall be under contractual obligation to treat the information and documents of the BIDDER/Subcontractor(s) with confidentiality.

8.7 The BUYER/EMPLOYER will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the parties. The parties will offer to the Monitor the option to participate in such meetings.

8.8 The Monitor will submit a written report to the designated Authority of BUYER/EMPLOYER within 8 to 10 weeks from the date of reference or intimation to him by the BUYER/EMPLOYER / BIDDER and, should the occasion arise, submit proposals for correcting problematic situations.

9. Facilitation of Investigation

In case of any allegation of violation of any provisions of this pact or payment of commission, the BUYER/EMPLOYER or its agencies shall be entitled to examine all the documents including
the Books of Accounts of the BIDDER and the BIDDER shall provide necessary information and documents in English and shall extend all possible help for the purpose of such examination.

10. Law and Place of Jurisdiction

This Pact is subject to Indian Law. The place of performance and jurisdiction is the seat of the BUYER/EMPLOYER.

11. Other Legal Actions

The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

12. Validity

12.1 The validity of this Integrity Pact shall be from date of its signing and extend up to 5 years or the complete execution of the contract to the satisfaction of both the BUYER/EMPLOYER and the BIDDER/SELLER/DEVELOPER, including warranty period, whichever is later. In case BIDDER is unsuccessful, this Integrity Pact shall expire after six months from the date of the signing of the contract.

12.2 Should one or several provisions of this Pact turn out to be invalid, the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

13. The parties hereby sign this Integrity Pact at...Cochin...on...24/12/2012...

BUYER/EMPLOYER

Name of the Officer: G.P. Raj

Designation: Chief Engineer

Deptt./MINISTRY/PSU: Cochin Port Trust

BIDDER

CHIEF EXECUTIVE OFFICER

[Signature]

Witness

1. [Signature]

2. [Signature]

[Signature]

[Signature]

* Provisions of these clauses would need to be amended/ deleted in line with the policy of the BUYER/EMPLOYER in regard to involvement of Indian agents of foreign bidders.

[Signature]

V. KALA

Company Secretary

[Signature]

CHIEF ENGINEER

[Signature]

[Signature]
Sir,

On scrutiny of the bid document submitted by you for the subject project, the following are observed:

1. The capacity of the Dry Dock No.2 is mentioned as 1,10,000 DWT under the "Project Proposal" (Sl. 15 in the list of all documents in the bid) and as 92,000 DWT in the write up on "Repair Facilities" (in page 59 of Volume II). This needs to be clarified.

2. The statement in para 8 under the "Project Proposal" seems to be a counter condition and needs to be withdrawn.

Expeditious action on the above matter would be highly appreciated.

Regards,

Sd/-

Chief Engineer

This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit http://www.symanteccloud.com
We acknowledge receipt of your mail below on the bid submitted by us for setting up of an SRF at CPT premises. We have examined the points and provide below our responses in Blue Font” against each of your queries, for your kind perusal.

1. The capacity of the Dry Dock No.2 is mentioned as 1,10,000 DWT under the “Project Proposal” (Sl. 15 in the list of all documents in the bid) and as 92,000 DWT in the write up on “Repair Facilities” (in page 59 of Volume II). This needs to be clarified.

   **CSL Response** - The above difference has occurred by clerical error. We confirm that the capacity of Dock No.2 is 1,10,000 DWT. For information, CSL presently has two dry-docks, as follows:

<table>
<thead>
<tr>
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<td>Dock No.2</td>
<td>255M x 43M x 9M</td>
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2. The statement in para 8 under the “Project Proposal” seems to be a counter-condition and needs to be withdrawn.

   **CSL Response** - Bidder hereby withdraws the statement in para-8 under “Project Proposal”.

We hope the above meets your requirements. We await your kind confirmation to enable us to move forward.

Thanking you and assuring you of our best attention at all times.
Best Regards,

Suresh Babu N V
General Manager,
Ship Repair Division,
Cochin Shipyard Ltd,
Kochi 682015
Kerala, India
☎: sureshbabu.nv@cochinshipyard.com

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Cochin Shipyard Ltd, Cochin, India

-- Virus-Free Mail Using AntiVirus for PostMaster Enterprise & QuickHeal Engine --

[Signature]
CHIEF ENGINEER'S OFFICE,
WILLINGDON ISLAND,
COCHIN - 9,
Dated: 19/09/2012

No. CP'/ T-1589/2012-C.

To
M/s. Cochin Shipyard Ltd.,
Administrative Building,
P.O. Bag No. 1653,
Perumanoor P.O.,
Cochin - 682 105.

LETTER OF ACCEPTANCE OF BID (LoA)

Sirs,

Sub: Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation (Bid No. CP/T-1589/2012-C) - Reg.

Ref: Your Bid No. SRMKTG/CPT/2012 dated 22/08/2012 for the subject project.

As per Clause 4.4 of Vol. -I (Technical Bid) of the Departmental Bid Document (DBD), we inform that your above mentioned Bid for the subject project has been accepted by the Port Trust as per the Terms and Conditions specified in the DBD and subsequent correspondences including the amendments (Addenda Nos. 1, 2 & 3) forming part of the Bid Documents submitted, as listed at Appendix - I. You have offered to pay the Upfront Fee and Guaranteed Amounts as at Appendix - II to the Port Trust and have also accepted to pay the Port Trust, other charges and payments as described in the DBD.

2. You are requested to take immediate action for the following:

(i) To furnish a Performance Security in the form of a Bank Guarantee enforceable and encashable at Kochi, from a Nationalized Bank operating in India, for an amount of Rs. 39.25 crores (Rupees Thirty Nine Crore and Twenty Five Lakhs only) as per proforma at Annexure-XI in the Departmental Bid Document.
(DBD), within twenty eight days of this Letter of Acceptance (LoA) or date of signing of Agreement, whichever is earlier, as per Clause 4.3 of the DBD.

Please note that, as per Clause 4.3.2 (b) of DBD, unless the Performance Security is furnished within 28 days of date of this LOA or such extension of that period as may be permitted by the Chief Engineer in writing, the Earnest Money will be liable to forfeiture and the contract to cancellation.

(ii) To make the following remittances:

(a) the Upfront Payment of Rs.12.92 Crores (Rupees Twelve Crore and Ninety Two Lakhs only) plus taxes within twenty eight days of this Letter of Acceptance (LoA) or date of signing of Agreement whichever is earlier, as per Clause 4.21.1 of the DBD;

(b) the quoted Upfront Fee of Rs. 75 crores (Rupees seventy five crores only) plus taxes, within twenty eight days of this Letter of Acceptance (LoA) or date of signing of Agreement whichever is earlier, as per Clause 4.21.2 of the DBD;

The above remittances may be made through RTGS to our account with State Bank of India, Cochin Port Trust Branch, the details of which are as follows.

A/c No. : 106011197375
IFS Code : SBIN0006367

(iii) To execute the Contract Agreement on Kerala State Stamp Paper worth Rs. 100/- (Rupees One Hundred Only), in the prescribed departmental form as per Annexure-XII in the DBD within one month from the date of this LoA, as per Clause 4.5 of the DBD.

(iv) To furnish an undertaking to the effect that the leasing of land and water area from the Cochin Port Trust shall be subject to the decision of Government of India, and that Cochin Shipyard Ltd. shall abide by the same, in accordance with the direction of the Ministry of Shipping in their letter No.PD-11015/7/2011-CoPT dated 13-9-2012 since the policy relating to leasing of land/water area is under finalization by Government of India.

(v) To take over the following Port Assets after furnishing the Performance Security, Upfront Payment, Upfront Fee and execution of Lease Deed for the first stage allotment of land and water areas as per Format of Lease Deed (Modified) at Annexure –XIII in the DBD

(a) Project Site comprising of land and water areas; and
(b) the Port's Assets other than Project Site which are envisaged to be transferred for the purpose of the subject Project, as indicated in Appendix-I of the DBD.

3. Kindly acknowledge receipt of this LoA within 7 (Seven) days of its receipt, as per Clause 4.4 of the DBD. Please note that this LoA along with your written acknowledgment shall constitute a contract between the Cochin Shipyard Ltd. and the Cochin Port Trust, till the signing of the formal Contract Agreement.

Yours faithfully,

CHIEF ENGINEER

N.O.O

Copy to: The FA & CAO, CoPT—With copies of Proceedings of Tender Committee and letters under Reference above.
: The Secretary, CoPT
: The Chief Mechanical Engineer, CoPT
: The Dy. Conservator, CoPT
: The Traffic Manager, CoPT
: Dy. Chief Engineer-I, CoPT
: Principal Director of Commercial Audit & Ex-officio Member, Audit Board,
  Indian Oil Bhavan, 139, Uthamar Gandhi Salai, Nungambakkam, Chennai- 600 034.

V. KALA
Company Secretary
(Cochin Shipyard Limited)

CHIEF ENGINEER
COCHIN PORT TRUST
List of Correspondences

(i) CoPT's letter No. CP/ T-1589/2012-C dated 30/06/2012 enclosing “Record Note of the Pre-Bid Meeting held on 14/06/2012” including a statement on Bidders’ Queries and CoPT’S Responses thereto and also a Corrigendum/ Addendum No.1.

(ii) CoPT’s letter No. CP/ T-1589/2012-C dated 13/07/2012, regarding extension of Due Date for the submission of Bids;

(iii) CoPT’s letter No. CP/ T-1589/2012-C dated 04/08/2012, enclosing ‘Additional Queries from the Bidders and CoPT’s responses thereto’ and Addendum No. 2 to the Bid Document;

(iv) CoPT’s letter No. CP/ T-1589/2012-C dated 14/08/2012, enclosing ‘Further Queries from the Bidders and CoPT’s responses thereto;

(v) CoPT’s letter No. CP/ T-1589/2012-C dated 17/08/2012 enclosing Addendum No. 3 to the Bid Document; and

(vi) E mail dated 23/08/2012 from the Chief Engineer, CoPT to Cochin Shipyard Ltd. and the reply mail dated 24/08/2012.
<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Description of work</th>
<th>In Figures</th>
<th>AMOUNT</th>
<th>In Words</th>
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<td>1</td>
<td>Upfront Fee (UF) which the Bidder undertakes to pay to CoPT in consideration of the Port Assets to be transferred to the Bidder/Developer.</td>
<td>750,000,000</td>
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Note: In addition to the above payments, the Developer shall pay the Upfront payment of INR 12.92 Crores and the Annual Lease Rentals for the Leased Premises as indicated in Clause 4.21. of this Bid Document.
Cochin Shipyard Ltd.

Kind Attn: Shri G.P. Rai, Chief Engineer

Sir,

This is with reference to our bid No. SRKTCG/CPT/2012 dated 22.8.2012 for subject project. We are pleased to acknowledge receipt of your letter No. CP/T-1589/2012 dated 19.9.2012 intimating acceptance of our bid.

2. The matter was put up to our Board on 21 Sep 2012 and the Board has directed that a detailed feasibility study be conducted and placed before the Board for approval. The matter has also been taken up with Ministry of Shipping, GOI for necessary approval prior to signing of agreement.

3. Regarding para 2(iv) of your above referred letter, CSL being under same Ministry of Shipping, leasing of land, water, etc can be based on existing orders and an agreement can be signed after approval by MOS.

4. We are nominating following officers to co-ordinate with Port Trust and work details for signing of the agreement and transfer of existing facilities. Our team will be interacting with your team to take the matter forward.

1) Shri Jose Mathew, ED (Design) - Nodal Officer
2) Shri Sunny Thomas, GM (Technical)
3) Shri N.V. Suresh Babu, GM (SR)
4) Shri A.N. Neelakandhan, DGM (SSD)
5) Shri V.J. Jose, DGM (Fin)
6) Shri T.I. Babu, DGM (IR)
7) Shri A. Sivakumar, AGM (SRM)
8) Shri Binu Varghese, Sr.Manager (Civil)
9) Shri K.K. Sukumaran, Advisor (Projects)
5. In the meantime we request you to kindly supply the following data/documents for our perusal.

   a) Dimensioned drawing of land and facilities
   b) List of assets with break up cost as per valuation done

6. Looking forward to your kind co-operation.

Yours faithfully,

(P. Vinayakumar)
Dir (Technical)
Establishment of Ship Repair Facility at Willingdon Island

Ref:
1) Tender No. No. CRT-1589/2012-C of May 12
2) CSL bid No. SMMK-12/CRT/2012 dated 22-08-12
3) E-mail dated 15.09.2012 from the Chairman, CoPT
4) Fax No: PD-T163/2/2011-COP dated 13.09.12 from MOS
5) Letter No. CRT-1589/2012-C dated 19-09-12
6) CSL letter No. D (T)163/2012 dated 25-09-12
7) CoPT letter No. CRT-1589/2012-C dt. 04-10-12

Dear Sir,

This refers to our bid against Tender at Ref (i) of Cochin Port Trust (CoPT) to establish the Ship Repair facility.

2. Subsequent to the approval by Competent Authority (MOS) for considering the award of the project on nomination basis to CSL, a PSU under the same Ministry, and the only technically qualified bidder vide ref iv above, we have been issued with EOA of the bid by CoPT (Ref v above).

3. CSL Board has discussed the matter during its last sitting on 21 Sep 12 and directed to furnish further details on feasibility study considering all aspects immediately and has also directed to obtain necessary clearance from the Ministry of Shipping for the Project. CSL is going ahead for compliance at the earliest.

4. The following points are brought out for your immediate consideration. The shipping industry is going through a difficult period and shiprepair is also facing some tariff problems. There are other discouraging factors like height restrictions in part of the area due to flying funnel of the Navy. Environmental clearance for shipfit is a pre-condition to start the project. Also, about 243 surplus employees of the Port Trust are to be taken on the rolls of the shipyard facility irrespective of their line of experience as per, existing agreement with trade unions and the Port Trust. Normal wages alone to these, employees amounted to more than Rs.10 crores during the last financial year. For successful implementation of the project and its management, CSL needs your continued support.
5. As per Section 5.3 of the bid document, CoPT is requested to review the following:

a. The facility is to be developed on the land leased out for 30 years. The lease rent is a huge outgo of revenue, especially during the development stage and initial years of running the facility. We hereby request for grant of lease holiday for at least 7 years in the beginning.

b. In order to install the new facility as contemplated by the CoPT, a part of the backwaters has to be reclaimed, as the width of the backup area is insufficient (average 170 m as informed in an e-mail and no drawings available with dimensions). There is no condition to pay to the developer the appreciated value for such land reclaimed and developed or part thereof to the developer on termination of the agreement. As per terms of the tender, any land reclaimed in the channel also attracts the SOR for land as approved by TAMP. As the land is to be developed with investments, CSL may be granted concessional rate for such reclaimed areas, if any, for the project.

c. A sizeable area of water body (about 15 ha.) is earmarked for the project and 50% of SOR for the land is payable by the developer from the day of signing agreement. But the present TAMP notification G No. 160 dated 11 June 2010 shows the lease rent for the land as ‘Land with water frontage for berth and back up’ in Wellington Island. This notification does not envisage any separate rate for the water frontage of the land to be leased out there to berth ships. Therefore, a ship repair facility in this area must be exempted from payment of lease rent for the water body on its waterfront.

d. Environment clearance to set up a ship repair facility in this area is to be obtained from the Ministry of Environment and Forests. Environment Impact Assessment, Hydrographic Studies, Bore-hole Tests, Siltation and effects due to reclamation in the channel, etc. are to be studied by competent agencies to apply for environment clearance. The Port Trust has included the clearance as pre-condition to set up the yard facility, but not much action initiated while issuing the tender. These studies alone are likely to take one calendar year with report thereafter and hence the schedule of thirty months (30) to commission first phase of the project from the date of signing the agreement is very critical. Capital dredging can start only with this clearance. Expenditure on design of the Project and execution can be normally committed only after obtaining Environment Clearance, but expenses for various studies leading to this will have to be incurred immediately. The land (7 ha.) shown under Phase 2 is also necessary to plan the Project and thus is required to be handed over earliest based on project progress. Huge amount of Liquidated Damages are payable in case of any delay beyond the schedules for the three phases of development as proposed by the Port Trust, as quoted below.

“For Phase 1: INR 11 Crores (Rupees Eleven Crores only) per Month of delay and pro-rata thereof subject to a maximum of INR 55 crores.

For Phase 2: INR 2.6 Crores (Rupees Two Crores and Sixty Lakh only) per Month of delay and pro-rata thereof subject to a maximum of INR 13 crores; and

For Phase 3: INR 2 Crores (Rupees Two Crores only) per Month of delay and pro-rata thereof subject to a maximum of INR 10 crores.”

V. KALA
Company Secretary
Cochin Shipyard Limited
Cochi - 682 015
e. CSL being Government of India Enterprise, an Indemnity Bond may be allowed for the Performance guarantee (Cl. 4.3.1) in lieu of Bank guarantee. This is an existing practice among Government/Public sector firms.

f. CSL needs operating freedom like non-interference by the Port Trust once the layout approval is over. Sub-clauses like 4.15.1a and 4.15.2 need to be reviewed and modified suitably. CSL expects freedom to implement its own procedures and policies in the project development and running the facility during the period of agreement and as per Government guidelines to any Public Sector Shipyard under the Ministry of Shipping.

6. CSL hereby request CoPT for the following waivers as per Section 5.3:

i. To recast the Agreement format on the basis of nomination to a Govt. of India PSU.

ii. To grant lease rent holiday for a period of 7 years and reduce the lease rent for the reclaimed land as the facility is to be developed by CSL.

iii. Project schedule to be recast starting from obtaining Environment Clearance and payment of lease rent and wages to those Port employees to be incurred by CSL after clearance to start the Project.

iv. The Port Trust shall be jointly responsible to obtain environmental clearance for the project.

v. It is committed to its schedules, as it will otherwise continue to incur huge payments if the project is delayed for any reason.

vi. Lease rent payable for the water body in front of the backup land may be waived as it is used for berthing ships for repair purpose.

vii. Performance Security payable is Rs. 39.25 Crores as per Tender conditions. Even though BG can meet this, being a Government of India undertaking under the same Ministry, CSL may be exempted from submitting BG and in lieu an Indemnity Bond or Corporate Guarantee may be permitted.

viii. CSL may be allowed to have operating freedom without the clauses on overseeing project work, suspension of work by the Port Trust, furnishing periodic progress reports to CoPT while running the Shiprepair Facility, etc. Annual reports can be furnished.

ix. In the light of the above, please extend the date for furnishing Performance Security to a mutually acceptable one to CoPT and CSL.

Thanking you,

Yours faithfully,

P Vinayakumar,
Director (Technical)
No. CP/T-1589/2012-C

Dated: 22/10/2012

To
M/s. Cochin Shipyards Ltd.,
Administrative Building,
P.O. Bag No: 1653,
Perumanoor P.O.,
Cochin - 682 015.

[Kind Attn. : Sri. P. Vinayakumar, Director (Technical)]

Sirs,

Sub: Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation (Bid No. CP/T-1589/2012-C) - Reg.

Ref: (i). Your letter No. D(T)/163/2012 dated 08/10/2012 addressed to the Chairman, CoPT.
(ii). Chairman’s letter No. CP/SPR/Genl/2012-C dated 09/10/2012 addressed to the CMD, CSL (Copy enclosed).
(iii). This office letter of even No. dated 04/10/2012.
(iv). This office LoA of even No. dated 19/09/2012 for the subject project.

Kind reference is invited to the above cited letters.

With reference to your letter cited as Ref.(i) above, CoPT’s considered responses are furnished below for your information:

2. The Letter of Acceptance of the Bid was issued to M/s. Cochin Shipyards Ltd. by inviting global bids and also after observing all the bid formalities, including furnishing CoPT’s responses to the Queries raised/clarifications sought by bidders on the Bid Document, to all the prospective bidders. You may please note that, even after the Pre-Bid meeting, CoPT had entertained queries/clarifications from bidders and promptly clarified it before the Bid opening. The layout map showing the flying funnel area was issued to all the prospective bidders for their reference and also hosted in the website, all in a transparent manner. CSL, on its part might have taken all the prevailing conditions into consideration before giving a bid for the project. The Bid was opened and awarded after obtaining Govt. approval for the proposal including the Bid Documents.
3. As regards para no. 5 of your letter, please note that the Clause 5.3 of the Bid Document is applicable only in the case of the Conditions Precedent listed out in Clauses 5.1 (a) and (b); CoPT's considered stand on the issues raised for review, are provided below ad seriatim:

(a) (b) & (c): Terms and conditions regarding payment of Annual Lease Rent is not an issue which can be dealt as per Clause 5.3; only the time period within which the Lease Deed is to be executed can be dealt accordingly.

(d) Please note that your statement "... hence the schedule of 30 months to commission first phase of the project from date of signing of Agreement is very critical." is not in line with the Bid conditions.

As per Bid Document, "Obtaining Applicable Permits as may be required for commencement of construction works" is a Conditions Precedent (CP) to the fulfilled by the Developer within 120 days of date of Agreement. It may further be noted that:

(A) the Bid conditions provide for extending the time period for fulfilling the Conditions Precedent.

(B) payment of liquidated damages as per Clause 5.5 will become applicable only if the CP is within the power of the Developer; and

(C) the schedule of 30 months to commission first phase of the project is from the Date of Award of the Project (defined as the date when the Conditions Precedent have either been satisfied or waived by the Party other than the Party responsible for satisfying the same).

Therefore, all statutory clearances required for this project including Environmental Clearance will be fulfilled by the Successful Bidder/Developer before the Date of Award of Project. However, the Developer can commence the project with the existing facilities in the Workshop complex. Also, CoPT shall render all necessary assistance in obtaining the environmental clearance for the project. In case there are delays in securing Environmental Clearance, CoPT will take a liberal view and will not levy liquidated damages on account of such delay.

(e) As regards furnishing the Indemnity Bond in lieu of Bank Guarantee, Corporate Guarantee/Indemnity Bond will be acceptable, subject to Board's/Ministry's approval.

(f) The Bid Conditions cannot be modified at this stage.

As regards the request in para 6, to recast the Agreement format on the basis of nomination it is clarified that though the bids were invited for "Development and Operation of the ship Repair Facility with Private Sector Participation, the CSL (PSU) was allowed to participate for bidding as per the Govt. Guidelines for Private Sector Participation in the Major Ports issued in 1996", which says that "Central/State PSUs who wish to create port facilities as a common user facility need to come through the tendering route at par with private entrepreneur.

Encl: As above.

Yours faithfully,

[Signature]

CHIEF ENGINEER

[Signature]

CHIEF ENGINEER

[Company Name]

[Address]

[City] 682 015
Sub: International Ship Repair Facility at Cochin Port Trust Area.

Dear Sir,

Please refer to our various discussions on the above subject. As intimated to you, Cochin Shipyard had placed its proposal for setting up of an international ship repair facility at COPT premises, as per your tender, for approval of CSL board at its Meeting held on 29th November 2012.

2. The board was of the view that the project needs to be pursued but a comfort letter should be obtained from CoPT to mitigate the risks associated with the project in its present form in the following areas:

(a) Start date of the project to be clearly defined as from the date of receipt of environmental clearances.

(b) LD provisions as reflected in the tender appear disproportionately high. LD clause is to be either removed or reduced to minimum acceptable amounts.

(c) CSL is to be given total operational freedom without any restriction to carry out any activity that CSL is permitted under its Articles of Association.

(d) Lease rent to be as per the TAMP rate and restricted to the area leased.

(e) Exclusivity clause that no other Ship Repair facility will be permitted on the Port Trust owned land for a period of 10 years and for any new facility contemplated subsequent to this, CSL to be offered the first right of refusal.

(f) All existing legal, financial liabilities relating to the ship repair facilities of Port Trust which is tendered will devolve on the Port Trust.

(g) If the project is cancelled for some reason beyond the control of either Port Trust or the Shipyard, all moneys paid by CSL to CoPT would be refunded by CoPT.
3. The board further felt that all payments to COPT relating to the project i.e., the upfront bid payment of Rs 75 crores and upfront payment for asset acquisition of Rs 12.9 crores can be paid to COPT only on receipt of Comfort Letter as above. This needs to be tabled at the next Board Meeting which is scheduled on 13th Dec 2012.

4. It is therefore requested that the above comfort letter be provided at the earliest for obtaining the approval of the board and taking forward the project.

Thanking You,

Yours Faithfully

[Signature]

Cmde K Subramaniam
Chairman & Managing Director.
Dear Colleagues Subharmansar,

Kind attention is invited to your letter No. SEC/248/2012/131 dated 4-12-12 seeking a Comfort Letter on certain issues.

The matter has been considered and we are to give the para-wise response as hereunder:

<table>
<thead>
<tr>
<th>Demands by CSL</th>
<th>Response by Cochin Port Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start date of the project to be clearly defined as from the date of receipt of environmental clearances.</td>
<td>The request is agreed to in respect of the development plan submitted along with your bid, and subject to the condition that CSL makes the application for environmental clearance on time and takes all earnest efforts to obtain such clearances.</td>
</tr>
<tr>
<td>LD provisions as reflected in the tender appear disproportionately high. LD clause is to be either removed or reduced to minimum acceptable amounts.</td>
<td>Since the revenues to the Port apart from the lease rentals are absolute amounts and only the Vessel Related Charges from vessels taken for repair will suffer to the extent that the project is not implemented as envisaged, the LD provision is reduced as under for each of the 3 phases: INR 3 lakhs per month of delay or pro rata thereof subject to a maximum of INR 20 lakhs</td>
</tr>
<tr>
<td>CSL is to be given total operational freedom without any restriction to carry out any activity that CSL is permitted under its Articles of Association.</td>
<td>The scope of work mentioned in the tender document and the development plan submitted by CSL along with the bid provide for ship repair and various allied activities. Any other activity can be undertaken only with the prior consent of the Port.</td>
</tr>
<tr>
<td>Lease rent to be as per the TAMP rate and restricted to the area leased.</td>
<td>Lease rent for land will be as per TAMP rate for the actual land area in the possession of the CSL. The lease rent for water area will be governed by clause 1.8.2 of the tender document.</td>
</tr>
<tr>
<td>Exclusivity clause that no other Ship Repair Facility will be permitted on the Port Trust owned land for a period of 10 years and for any new facility contemplated subsequent to this, CSL to be offered the first right of refusal.</td>
<td>The present Master Plan for the Port's land does not envisage any additional ship repair facility. Moreover, exclusivity can be assured to a developer only for a limited period, and not for the entire contract term. However, CSL being a PSU will be given the benefit of exclusivity for a period of ten years, and the right of first refusal in case the Port tenders for the development of a similar facility within these ten years.</td>
</tr>
<tr>
<td>All existing legal, financial liabilities relating to the ship repair facilities of Port Trust which is tendered will devolve on the Port Trust.</td>
<td>Agreed to. However, the liabilities arising out of Appendix 3 of the Tender Document in respect of personnel/labour will be borne by CSL as per tender document.</td>
</tr>
</tbody>
</table>

Tel: Off +91(484)-2668200, Res: +91(484)-2668100, Fax: +91(484)-2668163, www.cochinport.gov.in, e-mail: chairman@cochinport.gov.in
If the project is cancelled for some reason beyond the control of either Port Trust or the Shipyard, all moneys paid by CSL to CoPT would be refunded by CoPT.

If the project is cancelled due to the conditions precedent not being fulfilled, and the entire area is returned to the Port, the upfront fee shall be returned.

The above shall be subject to approval by the Ministry of Shipping.

Yours sincerely,

Cmde. K. Subramaniam,
Chairman & Managing Director,
Cochin Shipyard Limited,
Cochin-682015

V. Kala
Company Secretary
Cochin Shipyard Limited
Cochin-682015
DO No. No. CP/SRF-General /2011-C dated 14-12-2012

Dear Cmde. Subramaniam,

Further to my letter of even No. of 7th December in response to your letter No.SEC/248/2012/131 dated 4-12-12, and consequent to the discussions with you and Joint Secretary (Shipping) in the Ministry yesterday regarding certain additional concessions to Cochin Shipyard Ltd, I may state that the matter has been considered further, and we are to give the para-wise response as hereunder:

<table>
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<th>Response by Cochin Port Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exclusivity clause that no other Ship Repair Facility will be permitted on the Port Trust owned land for 30 years.</td>
<td>The present Master Plan for the Port’s land does not envisage any additional ship repair facility. However, CSL, being a PSU, will be given the benefit of exclusivity for a period of ten years, and the right of first refusal in case the Port tenders for the development of a similar facility for a further period of twenty years.</td>
</tr>
<tr>
<td>There should be assurance to CSL that the lease term shall be extended beyond 30 years.</td>
<td>CoPT will consider favourably extending the lease to CSL, as it is a PSU, subject to the prevailing Land Policy Guidelines of the Ministry of Shipping.</td>
</tr>
<tr>
<td>The contract condition that the assets developed by CSL in the Ship Repair Yard shall be transferred at zero value to the Port at the end of the project term is not acceptable; the assets should be valued and payment for the same should be given.</td>
<td>CoPT will compensate CSL for assets developed by it on the basis of a third party valuation should a situation arise for these assets to be taken over by CoPT, considering that CSL is a PSU.</td>
</tr>
<tr>
<td>The 243 labour transferred to CSL should be placed under the disciplinary control of CSL as CSL are paying for their services.</td>
<td>CoPT will consider the same favourably after examining the legality of the request and subject to the concurrence of its Unions.</td>
</tr>
</tbody>
</table>

The above shall be subject to approval by the Ministry of Shipping.

Yours sincerely,

Cmde. K. Subramaniam,
Chairman & Managing Director,
Cochin Shipyard Limited,
Cochin-682015

Tel: Off +91(484)-2668200, Res: +91(484)-2668100, Fax: +91(0484)-2668111
www.cochinport.gov.in, e-mail: chairman@cochinport.gov.in
DO No. No. CP/STF-General/2011-C dated 17-12-2012

I refer to the correspondence resting with my DO letter of even No. dated 14-12-2012, and your letter No.CMD/564/2012/138 dated 15-12-2012.

I am now forwarding herewith a copy of Ministry's letter No.PD-11015/7/2011-CoPT dated 14-12-2012, which is self explanatory.

In the circumstances I may state that the concessions and assurances extended to you vide my DO letters of even No. of 7th December, 2012 and 14th December, 2012 are confirmed without conditions.

I would request you to comply with the obligations of the tender without delay.

Yours sincerely,

Paul Antony

Cmde. K. Subramaniam,
Chairman & Managing Director,
Cochin Shipyard Limited,
Cochin-682015
CORPORATE PERFORMANCE GUARANTEE

To,

COCHIN PORT TRUST
Cochin-682 009.

THIS DEED OF GUARANTEE executed on this the 24th day of December 2012 at Cochin by COCHIN SHIPYARD LIMITED, a Company incorporated under the Indian Companies Act, 1956, having its Registered office at Perumanoor, Cochin-682 015 (hereinafter referred to as “the Developer” or “the Guarantor”) which expression shall unless it be repugnant to the subject or context thereof, include its administrators, successors and permitted assigns;

In favour of THE COchin PORT TRUST, a body corporate constituted under the provisions of the Major Port Trusts Act, 1963 and having its Administrative Office at Willingdon Island, Cochin – 682 009 (hereinafter referred to as “the Board” or “the CoPT”) which expression shall unless repugnant to the subject or context or meaning thereof, include its administrators, successors and permitted assigns;

K.M.Philominas Agb: 76.96
E.S.R.O. VENDOR 07-03-2013

Kochin Shipyard Ltd

[Signature]

COchin SHIPYARD LIMITED

[Signature]
IN CONSIDERATION OF the Board accepting the Bid submitted by COCHIN SHIPYARD LIMITED, for the project of “Development and Operation of an International Ship Repair Facility at W/Island with Private Sector Participation” (hereinafter referred to as “the Project”) and the Letter of Acceptance No. CP/T-1589/2012-C dated 19-09-2012 (“LOA”) issued by the Board to the Developer, requiring inter alia, the execution of the Contract dated 24.12.2012, (“the Contract Agreement”) in terms of which, the Developer is required to furnish to the Board, a Performance Guarantee by way of an unconditional and irrevocable Bank Guarantee from a Scheduled Bank for a sum of Rs. 39,25,00,000/- (Rupees Thirty Nine Crore and Twenty-Five Lakhs only) as security for due and punctual performance/discharge of its obligations under the Contract Agreement during the Contract Period, AND at the request of the Developer, the CoPT has agreed to accept a CORPORATE PERFORMANCE GUARANTEE in lieu of BANK GUARANTEE.

We, COCHIN SHIPYARD LTD., the Developer/Guarantor, hereby ABSOLUTELY, UNCONDITIONALLY AND IRREVOCABLY GUARANTEE the due and punctual performance/discharge of all our obligations under the Contract Agreement, during the Contract Period.

THIS GUARANTEE FURTHER COVENANTS THAT:

1. Capitalized terms used herein but not defined shall have the meaning assigned to them respectively in the Contract Agreement.

2. We, the Guarantor/Developer shall irrevocably and unconditionally undertake the due execution and punctual performance of all our obligations under the aforementioned Contract Agreement during the Contract Period.

3. We, the Guarantor/Developer shall, without demur or protest, pay to the Board a sum of Rs. 39,25,00,000 (Rupees Thirty Nine Crore and Twenty Five Lakhs only) within (3) three calendar Days of receipt of a written demand from the Board stating that the Developer has failed to meet its performance obligations under the Contract Agreement during the Contract Period. We the Guarantor/Developer shall not go into the veracity of any breach or failure on their part or validity of demand so made by the Board and shall pay the amount specified in the demand notwithstanding any direction to the contrary given or any dispute whatsoever raised by the Developer or any other Person before any court, tribunal, expert, arbitrator or similar
proceedings. The Guarantor's/Developer's obligations hereunder shall subsist until all such demands of the Board are duly met and discharged in accordance with the provisions hereof. Any such demand made on the Guarantor/Developer by the Board shall be conclusive, absolute and unequivocal as regards the amount due and payable by the Guarantor/Developer under this Guarantee. The CoPT shall at all times at its sole discretion have the absolute and unconditional right to call upon the Guarantor/Developer to pay the amount under the Corporate Performance Guarantee.

4. The obligations of the Guarantor shall not be affected by any variations in the terms and conditions of the Contract Agreement unless discharged/released in accordance with the terms of the Contract Agreement or by the extension of time for performance granted by the Board or postponement/non-exercise/delayed exercise of any of its rights by the Board or any indulgence shown by the Board to the Developer and the Guarantor shall not be relieved from its obligations under this Guarantee on account of any such variation, extension, postponement, non-exercise or delayed exercise by the Board of any of the Board's rights or any indulgence shown by the Board.

5. This Corporate Performance Guarantee shall be unconditional and irrevocable and shall remain in full force and effect during the term of the Contract Agreement until terminated in pursuance to the Contract Agreement or until the successful completion of the Contract Period unless discharged/released earlier by the Board in accordance with the provisions of the Contract Agreement.

6. This Corporate Performance Guarantee shall not be affected by any change in the constitution or winding up, insolvency, bankruptcy, dissolution or liquidation of the Developer or any absorption, merger or amalgamation of the Developer with any other Person.

7. Any payment made hereunder shall be made subject to statutory deductions for or on account of taxes, levies, imposts, duties, charges, fees, deductions, or withholding of any nature whatsoever.

8. The Developer/Guarantor hereby irrevocably and unconditionally undertakes, agrees and acknowledges that its obligations under this guarantee:

[Signature]

CHIEF ENGINEER

COCHIN PORT TRUST
i) shall not be affected by the existence of or release or variation of any other guarantee or security for any of the obligations of the Developer under the Contract Agreement;

ii) shall not be affected by any failure or delay in payment of any fee or other amount payable to the Guarantor in respect hereof;

iii) shall be an integral part of the obligations mentioned under the Contract Agreement;

iv) shall not be affected by any exercise or non-exercise of any right, remedy, power or privilege of any person under or in respect of any payment obligations of the Developer under the Contract Agreement;

v) shall not be affected by any failure, omission or delay on the part of the Board/CoPT, to enforce, assert or to exercise any right, power or remedy conferred on the Board/CoPT in this Guarantee;

vi) shall not be affected by any act, omission, matter or thing which, but for this clause would reduce, release or prejudice the Developer from any of their obligations under this Guarantee or prejudice or diminish the obligations in whole or in part.

9. The obligations, covenants, agreements and duties herein shall not be subject to any counterclaims, cross claims, set offs, deductions, withholdings, diminutions, abatements, recoupments, suspensions, deferrals, reductions or defence for any reason whatsoever and the Developer, shall have no right to terminate this Guarantee or to be released, relieved or discharged from any of its obligations, covenants, agreements and duties hereunder for any reason whatsoever.

10. The Guarantor/Developer has power to issue this Guarantee and discharge the obligations contemplated herein, and the undersigned is duly authorized to execute this CORPORATE PERFORMANCE GUARANTEE pursuant to the power granted by the Board.

11. This Corporate Performance Guarantee shall be governed by and construed in accordance with the laws of India. The Guarantor hereby irrevocably submits to the exclusive jurisdiction of the Court of Cochin for the purposes of any suit, action, or other
proceeding arising out of this Guarantee, or the subject matter hereof, brought by the CoPT or its successors or assigns.

IN WITNESS WHEREOF THE DEVELOPER/GUARANTOR HAS SET ITS HANDS TO HEREWITNESS ON THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN.

SIGNED AND DELIVERED BY

(Ravikumar Roddam)
Director (Finance)
M/s. Cochin Shipyard Ltd
Cochin 682 015

RAVI KUMAR RODDAM
Director (Finance)
Cochin Shipyard Limited
Kochi - 682 015

COMMON SEAL AFFIXED
IN THE PRESENCE OF

V. KALA
Company Secretary
Cochin Shipyard Limited
Kochi - 682 015

CHIEF ENGINEER
COCHIN PORT TRUST