

SY-16023/6/2015-SBR (e367820)
Government of India
Ministry of Ports, Shipping and Waterways
(SBR Section)

New Delhi- 110001.
Dated 14th May, 2026

To,
Director General of Shipping,
Directorate General of Shipping.
Mumbai

Subject: Amended Guidelines for Implementation of Shipbuilding Financial Assistance Policy (SBFAP) - reg.

Sir,

The undersigned is directed to refer to letter of even No. dated 29.1.2025 wherein amended SBFAP guidelines were forwarded to DG Shipping. In this regard, it is informed that guidelines have further been revised in order to align these guidelines with recently approved Shipbuilding Financial Assistance Scheme's (SBFAS) Cabinet Note and guidelines.

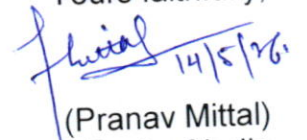
2. The following major amendment have been made in the guidelines:-

- Definitions for "Security Instrument", "Institutional Mechanism" and "Ship Owner" added under section 2.
- Eligibility of vessels for availing the financial assistance under section 3 have been amended in order to facilitate shipyards to accept larger series orders without affecting the assistance received.
- Provisions for Stage payments have been added under section 6.
- Force Majeure clause added under section 7 (h).
- Provisions for claiming benefits under other Central/ State schemes section 7 (i).

3. Accordingly, the approved amended guidelines for implementation of Shipbuilding Financial Assistance Policy (SBFAP) are being forwarded herewith for information and necessary action. The DG Shipping may further circulate these guidelines to relevant stakeholders.

4. The issues with approval of Hon'ble Minister for Ports, Shipping and Waterways.

Yours faithfully,


(Pranav Mittal)

Under Secretary to the Govt. of India
Tel No.: 23311659

Copy to:-

1. NIC Team, MoPSW - for uploading on website.

**GUIDELINES FOR IMPLEMENTATION OF SHIPBUILDING FINANCIAL ASSISTANCE
POLICY (SBFAP)**
(as modified on 14.05.2025)

1. Introduction.

(a) **Title:** The policy for grant of financial assistance to Shipyards shall be called “Shipbuilding Financial Assistance Policy” and the guidelines formulated to implement the policy shall be called “Guidelines for Implementation of Shipbuilding Financial Assistance Policy”.

(b) **Validity:** The Shipbuilding Financial Assistance Policy and the guidelines shall come into force with effect from April 1, 2016 and shall be applicable for shipbuilding contracts signed during the dates, April 1, 2016 to March 31, 2026, including the said dates.

(c) **Applicability:** The said policy as well as the guidelines shall be applicable to all the Indian Shipyards.

2. Definitions.

(a) **“Actual Payment”** means the total quantum of payment received by the Shipyard pertaining to a shipbuilding Contract including such payment received subsequent to the delivery of the Vessel as is duly certified by a Chartered Accountant registered with Institute of Chartered Accountants of India in the format prescribed at Annexure-IIIB of these guidelines and supported by requisite documentary evidence.

(b) **“Competent Authority”** means the authority designated for performance of various functions under these guidelines for implementation of the policy by Ministry of Shipping in Schedule-V.

(c) **“Shipbuilding Contract”**, unless otherwise stated, means a Shipbuilding Contract corresponding to construction of underlying Vessel or Vessels, as the case may be, and shall

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

include the initial or the first Contract signed for such construction or any subsequent contracts amending the said initial Contract or executed replacing the said contract provided that the Contract continues to pertain to the said underlying Vessel or Vessels of the initial Contract. In case of cancellation, Contract would mean the new Shipbuilding Contract signed with the new buyer.

(d) **“Contract Price”** means the price at which the initial or the first Shipbuilding Contract has been signed, or any such lower price agreed at a later date in a supplementary or subsequent Contract for the Vessels required to be constructed under the Contract involving the Shipyard as one of the parties to the said later Contract.

(e) **“Date of Contract”** means the date of signing of the initial or the first Contract for construction of underlying Vessel or Vessels, as the case may be.

(f) **“Financial Assistance”**, means the monetary incentive granted by the government to the Shipyards for construction of Vessels underlying a Shipbuilding Contract under the policy, subject to fulfillment of conditions prescribed in policy guidelines.

(g) **“Fair Price”** means-

I. In case of a standard Vessel, the price of the underlying Vessel as on the date of Contract as derived by the Competent Authority based on international trend;

II. In case of specialized Vessels, and, Vessels other than standard or specialized Vessels, the lowest of the prices, as on the date of Contract, as are determined by three approved International Valuers listed in Schedule–III.

III. Fair Price in respect of Shipbuilding Contracts for ships procured from Indian Shipyards by Central Government / PSU / State government departments, Organisations set up under Acts of Parliament and controlled and managed by Central Government departments and CPSEs, secured by Shipyards on L1 basis through tender process, will be considered as the L1 price discovered / determined through competitive, open and fair bidding process. In the case of repeat orders, the L1 price discovered / determined through the initial competitive, open and fair bidding process will be considered as Fair Price for Vessels under the repeat order, subject

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

to the initial tender document and the contract clearly mentioning about the repeat order and the criteria to be followed, including that of pricing, for awarding the repeat order.

- (h) **“Hybrid Propulsion System”** is a combination of alternate means of propulsion mainly from a conventional gas or oil fuel powered engine together with electrical sources derived from rechargeable means like batteries.
- (i) **“In-Principle Approval”** means the approval granted by the Competent Authority establishing eligibility of claim of a shipyard for grant of financial assistance for vessel under construction, subject to fulfillment of conditions prescribed in the policy guidelines.
- (j) **“International Valuer”** means the valuers listed in Schedule-III, to which valuers could be added or deleted by Ministry of Shipping from time to time.
- (k) **“Rate of Financial Assistance”** means the rate at which the financial assistance shall be granted to the Shipyard and determined with respect to the rate indicated in column (3) of the table in Schedule-IV corresponding to the date of Contract.
- (l) **“Recognized Organization”** means an organization recognized by the Government of India as per the Gazette Notification No. S.O. 3316(E) dated December 26, 2014.
- (m) **“Specialized Vessel”**, for the purpose of grant of financial assistance under these guidelines, means a type or class of Vessel listed in Schedule-II, with the appropriate Class Notation for its Specialized purpose.
- (n) **“Standard Vessel”** means a Vessel that is not a specialized Vessel and for which Fair Price is determined on a periodic basis by the Competent Authority based on international price trends.
- (o) **“Vessel Other than Standard or Specialized Vessel”** means Vessel which is neither specialized Vessel nor Standard Vessel.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

(p) **“Shipyard”** means any floating or a land based facility comprising of all or any amongst the following as essential features, namely, - waterfront, turning basin, berthing and docking facility, slipways and ship lifts, and, located within the territories of India and undertaking construction, manufacture, reconstruction or repair of Vessels in India.

(q) **“Vessel”**, for the purpose of grant of financial assistance under these guidelines, means all types of floating crafts or structures built under the classification of one of the Recognized Organizations but shall exclude the crafts specified in Schedule-I.

(r) **“Major Portion of the Hull”** means, the main hull of the ship / Vessel, that is made of Shipbuilding Grade Steel, Aluminum or any such materials as approved for the purpose of construction of ships/ Vessels by Recognized Maritime Authorities, and does not include, Superstructure, Equipment & Machineries, Mast, Equipment foundations, Shaft Support Brackets, Stern tube, Bow Thruster Tunnels, Rudder etc.

(s) **“Security Instrument”** relates to specific financial Security Instruments for the purpose of this policy which includes – Bank Guarantees, Surety insurance bonds/ contracts (issued by entities authorised by Insurance Regulatory and Development Authority of India (IRDAI)), or corporate guarantees from Public Sector Undertakings (PSUs) which are valid up to a date as defined by the Competent Authority on a case-to-case basis. If a Surety Bond is provided in lieu of a Bank Guarantee, the bond shall be issued as an unconditional, irrevocable, on-demand bond, expressly payable within 7 days of receipt of a written demand from the Competent Authority / Ministry. The wording shall explicitly exclude any dispute-based refusal or requirement for prior adjudication. The bond shall be issued by insurance companies authorised by IRDAI.

(t) **Institutional Mechanism (IM)** will be a committee headed by the Addl. Secretary/ Joint Secretary level officer who oversees shipbuilding sector at Ministry of Ports, Shipping and Waterways (MoPSW) and will have representation from Indian Register of Shipping (IRS), Shipping Corporation of India (SCI), Sagarmala Finance Corporation limited (SMFCL) and in cases where legal expertise is required, the same may be brought on board on a case-to-case basis.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

(u) **Ship Owner** means a company or entity which owns a ship or a Vessel or has placed an order for construction of the same at an Indian Shipyard under a valid contract.

3. Eligibility of Vessel for availing the Financial Assistance.

(a) All Vessels except those which are excluded under Schedule-I of these guidelines are eligible for the purpose of availing Financial Assistance.

(b) **Timelines for availing the Financial Assistance.** Vessels eligible as per the section above will be able to seek the benefits of this policy under the following conditions

- i. **Vessels other than Specialised Vessels: one or two Vessels as part of contract** - provided that, only those Vessels, which are constructed and delivered within a period of four years from the Date of Contract, shall be eligible for availing Financial Assistance under the policy.
- ii. **Vessels other than Specialised Vessels: three or four Vessels as part of contract** - Provided that, those Vessels are constructed and delivered within a period of six years from the Date of Contract, shall be eligible for availing Financial Assistance.
- iii. **Vessels other than Specialised Vessels: five or more Vessels as part of contract** - Provided that, those Vessels which are constructed and delivered beyond the overall six-year timeline shall be eligible for Financial Assistance, if each subsequent Vessel is delivered within a period of one year from the date of delivery of the immediately preceding Vessel.
- iv. **Specialized Vessels: up to two Vessels as part of contract** - Provided that, those Vessels are constructed and delivered within a period of six years from the Date of Contract, shall be eligible for availing Financial Assistance.
- v. **Specialized Vessels: three or more Vessels as part of contract** – Provided that, those Vessels which are constructed and delivered beyond the overall six-year timeline shall be eligible for Financial Assistance, if each subsequent Vessel is delivered within a period of one year from the date of delivery of the immediately preceding Vessel.

(c) Provided further that in view of the Covid-19 pandemic declared by the World Health Organisation on 11.03.2020, the subsequent order dated 24.03.2020 issued by the

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

Government of India under the Disaster Management Act, 2005 for implementation of measures to prevent the spread of Covid-19 in the country, and the consequent Force Majeure conditions faced by many industries, the Competent Authority may grant extension for construction and delivery up to a period of one year for all contracts signed prior to 24.03.2020 or signed during the period 24.03.2020 to 23.03.2021.

(d) Provided further that in view of the spread of COVID variants which have affected the global supply chain system, the Competent Authority may grant extension for construction and delivery up to a period of one year for all contracts signed during the period 24.03.2021 to 31.03.2022.

4. Application for Financial Assistance.

(a) The application for In-principle Approval for grant of financial assistance for a Vessel shall be made as per the procedure prescribed in Annexure-I of this policy.

(b) The application for release of Financial Assistance for a Vessel shall be made as per the procedure prescribed in (Annexure-II-1, Annexure-II-2, Annexure-II-3, Annexure-II-4) of these guidelines and the Competent Authority shall, after due scrutiny of the application, permit release of the Financial Assistance to the applicant Shipyard.

(c) In case the Competent Authority, after scrutiny, identifies deficiencies in the application made in pursuance of sub-clauses (a) or (b) above, it may give an opportunity to the applicant shipyard as per the procedure prescribed in Annexure-I, Annexure-II-1, Annexure-II-2, Annexure-II-3 and Annexure-II-4, as the case may be, to make good, the said deficiency and shall take a decision for In-principle approval or release of financial assistance, as the case may be, based on response of the applicant shipyard. Any denial of benefit sought under the applications made in pursuance of sub-clauses (a) and (b) above by the Competent Authority shall be conveyed to the applicant shipyard in writing with reasons for such denial.

5. Computation of Financial Assistance.

(a) The quantum of financial assistance for a Vessel shall be the product of the applicable Rate of Financial Assistance prevailing on the date of Contract, and, the lowest of the contract price or the Fair Price when converted in Indian Rupees.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

(b) Provided that, at the time of release of financial assistance, if the Actual Payment received for a Vessel is lower than the contract price, such payment shall replace the contract price in the formulae for computation of the financial assistance.

(c) In case of a Contract obtained through global tender or competitive bidding, the bid price shall be treated as the contract price for computation of financial assistance in the formulae specified at sub-clause (a) above.

(d) For the purpose of computation of financial assistance as per the formulae specified at sub-clause (a) above, the Fair Price or contract price or Actual Payment, if received in foreign currency, shall be converted into Indian Rupees as per the exchange rate published by the State Bank of India under the category of TT Buying Rates on the Date of Contract.

(e) Provided that, in case the exchange rate is not among the currencies published by the State Bank of India, the applicant Shipyard shall obtain a certificate from the State Bank of India about the exchange rate for the currency prevailing on the Date of Contract.

6. Release of Financial Assistance.

(a) Wherever, In-principle Approval for grant of financial assistance for a vessel has been granted by the Competent Authority, such financial assistance shall be released for the vessel subject to compliance of conditions of this policy.

(b) Provided further that, in case the budget is not available for release of financial assistance for Vessel(s) under an eligible contract in a particular year for release of financial assistance, the same will be released on priority in the subsequent financial year on availability of budget.

(c) The requisite financial assistance shall only be released in Indian Rupees.

(d) Stage Payments – Payments are to be structured and released as per the milestones defined below -

- i. Keel laying – 30% (against equivalent Security Instrument) as mentioned in Annexure-II-1
- ii. On Launching – 40% (against equivalent Security Instrument) as mentioned in Annexure-II-2
- iii. On delivery – 30% as mentioned in Annexure-II-3

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

iv. Post delivery – Security Instrument released upon final payment by Ship Owner as mentioned in Annexure-II-4

(e) For Vessels that have already received approval and are currently under construction, the Shipyard may submit claims for stage payments corresponding to the progress achieved. These claims should align with the stages defined in clause (d) and be supported by documentary evidence of the construction stage completed. For such cases where the corresponding stage as mentioned in para (d) above has already been completed, the timelines for submission for the corresponding stage release shall be counted from the date of issuance of this amendment i.e 14.05.2026, The remaining payments will follow the standard schedule for subsequent stages, including delivery and post-delivery obligations.

(f) In case of Vessels not being delivered as per the eligible timelines, the Shipyard would need to reimburse the overall subsidy received by them with interest at 9% p.a. from the date of disbursement of Financial Assistance.

7. General Conditions.

(a) In case of Shipbuilding Contracts signed for construction or manufacture of more than one vessel, only those vessels under the Contract whose date of delivery lies within the specified time period or such extended period permitted under these guidelines by the Competent Authority from the Date of Contract shall be granted In-principle Approval by the Competent Authority for claiming financial assistance for the vessels mentioned therein.

(b) Provided that, only those Vessels which are actually delivered within the specified time period from the Date of Contract or within the extended period permitted under these guidelines by the Competent Authority shall be considered for release of financial assistance.

(c) Provided further that, if any supplementary contract/ addendum will be entered after March 31, 2026, the same will not be considered for the purpose of computation of financial assistance.

(d) The Major Portion of the Hull of the Vessel for which financial assistance is claimed is to be constructed and assembled in India.

(e) The assembly of the hull, installation and commissioning of the major machinery and equipment and tests/trials of the Vessel is to be done in India. In case any test/trials are required to be conducted outside India, in terms of the Contract/owner requirements, the same shall also be acceptable for grant of financial assistance.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

- (f) Notwithstanding anything contained in these guidelines, only those Vessels shall be eligible for grant of financial assistance for which the construction shall commence subsequent to the signing of valid contracts covered under these guidelines.
- (g) The shipyard applying for In-principle Approval as well as release of financial assistance under the policy should submit an affidavit as per the format prescribed in Annexure-IA , including for compliance of conditions in sub-clauses (b) to (e) above. In case of application for release of financial assistance such affidavit shall also be accompanied with a certificate from the Recognized Organization as per the formats prescribed in Annexure-II-1, Annexure-II-2, Annexure-II-3 and Annexure-II-4.
- (h) Furthermore, In the event of other force majeure circumstances beyond the reasonable control of the Shipyard—such as natural disasters, government actions, war, strikes, pandemics, or other unforeseen events impacting project timelines—the delivery schedule shall be extended for the duration of such disruption. The Shipyard must notify the Competent Authority in writing with supporting evidence. Each case shall be examined individually and finalized by the Institutional Mechanism (IM).
- (i) **Benefits under other central / state schemes.** The Shipyards will be free to claim additional benefits from other Central and State Government schemes, over and above the benefits under these guidelines.

8. Grievance Redressal, Amendments, Review and Interpretation.

- (a) If any grievance arises from acts of commission or omission of the DGS under these guidelines, the Shipyard shall refer the matter directly to the IM. IM may, where considered necessary, seek comments or views from DGS for examination of the matter.
- (b) Any other grievance of the Shipyard arising due to reasons not within the control of the Shipyard may also be referred by the Shipyard to IM. Such grievances may be placed before the IM, constituted under these guidelines, for consideration.
- (c) The IM shall examine and resolve such grievances within ninety (90) days from the date of receipt of the application. Such grievances shall be routed to IM through the portal. The decision of the IM in all such cases shall be final.
- (d) MoPSW shall periodically review these guidelines and make amendments as deemed necessary.

SCHEDULE-I

LIST OF VESSELS EXCLUDED FROM FINANCIAL ASSISTANCE POLICY

1. Vessels built for Ship Owner, which are less than 24 meters in length, except the following; -
 - (a) Dredgers of length of 10 m and above (registered length / rule length as shown in the registry certificate / tonnage certificate).
 - (b) for Vessels, where main propulsion is by means of green fuels such as Methanol/ Ammonia / Hydrogen fuel cells, no length restriction is applicable.
 - (c) Vessels of 12 meters or above fitted with fully electric means of propulsion or Vessels fitted with Hybrid Propulsion System.

However, for export orders minimum length restriction is not applicable.

2. Vessels made of wood irrespective of their lengths.
3. Vessels built for defense purposes or for use by Navy or Coast Guard. However, Vessels like tugs, tankers, cargo ships and passenger ships that are not fitted with any weaponry, contracted for construction by foreign defense entities are eligible.
4. Vessels built under contracts secured on nomination basis from the Central or State Government or their agencies except those secured from the Central or State Public Sector Enterprises.

SCHEDULE-II

LIST OF SPECIALIZED VESSELS

1. LNG Carrying Vessels.
2. LPG Carrying Vessels.
3. All Passenger Vessels under MS Act/SOLAS with a minimum capacity of 500passengers.
4. Chemical Tankers.
5. Floating or Submersible Drilling or Production Platforms.
6. Floating, Production, Storage and Offloading (FPSO) units.
7. Floating, Storage and Offloading (FSO) units.
8. Floating, Storage, Regasification Units (FSRUs).
9. Mobile Offshore Drilling Unit (MODU) Rigs.
10. Mobile Offshore Production Units.
11. Self-Propelled Dredgers
12. Wind Turbine Installation Vessel.
13. Windfarm Service and Maintenance Vessel.
14. Self-Propelled Semi-Submergible Heavy Lift and Heavy Transport Vessel.
15. Cable laying Vessel.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

SCHEDULE-III

LIST OF INTERNATIONAL VALUERS

Sl. No.	Name of International Valuers
1.	M/s. Barry Rogliano Salles, 11, Boulevard Jean Mermoz, 92200 Neuilly-sur-Seine, France.
2.	M/s. Galbraiths Limited Shipbrokers, Bridge gate House 124-126 Borough High Street, London - SE1 1BL.
3.	M/s. Gibson Shipbrokers, P.O. Box 278, Audrey House, 16-20 Ely Place, London - EC1N 6SN.
4.	M/s. M3 Marine Group Pte. Ltd., 1 Commonwealth Lane, #09-19 ONE Commonwealth, Singapore –149544.
5.	M/s. Nor-Ocean Offshore AS,P.O.Box 1833 Vika, N-0123, Oslo,Norway.
6.	M/s. Affinity (Shipping) LLC, 44 th Floor, The Leadenhall Building, 122, Leadenhall Street, London, EC3A 8EE.
7.	M/s. Maersk Broker, Midtermolen, 1 DK-2100 Copenhagen, Denmark.
8.	M/s. Clarkson Platou, Commodity Quay, St. Katharine Docks, London E1W 1BF
9.	M/s. RBSA Advisors, 21-23, T.V. Industrial Estate, 248-A, S. K. Ahire Marg, Worli, Mumbai 400 030 INDIA
10.	M/s. Keellock C.W & Co. Ltd, Fifth Floor, 2 London Wall Buildings, London Wall, London, United Kindom, ECM 5PP. Phone No. 44(0) 3031234500.
11	J.B Boda Insurance Surveyors & Loss Assessors Pvt. Ltd., Maker Bhavan No. 1, Sir, Thackersey Marg, Mumbai-400021 (India), Tel No. (22) 66314949/66314917. Email id: jbbmbi@jbbodamail.com

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

SCHEDULE-III

LIST OF INTERNATIONAL VALUERS

12	Maritime Strategies International Ltd. 6 Baden Place, Crosby Row. London. SE1 1YW UK, Phone No. 44 20 79400070.
13	Simpson Spence Young Ltd., 50 Raffles Place #14-01/02, Singapore Land Tower. Singapore, Singapore 048623. Ph No. +65 68 547120.
14	Offshore Shipbrokers Limited. 17 Blossom Street, London E1 6PL UK. 44 207 3779774, 44 207 377 9775. Email id:chartering@offshore-shipbrokers.com&p@offshore-shipbrokers.com
15	English White Shipping Ltd., London, Tel: +44 (0) 20 8879 7966 Mobile: +44 (0) 7788 457 395. Email: sandp@ewshipping.com Web: www.ewshipping.com. Address:2, Pointgarry Road, North Berwick, East Lothian, EH39 4ET
16.	Ravindra K Reshawala, <u>7/A PIL Court, 111 Maharshi Karve Road, Mumbai 400 020. Tel: 022 6131 7000.</u> Email id: <u>chartering@reshamwalashipbrokors.com</u>

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

SCHEDULE-IV

RATES FOR FINANCIAL ASSISTANCE

Sl. No.	Financial Year	Rate of Financial Assistance (%) #
(1)	(2)	(3)
1.	2016-2017	20.00
2.	2017-2018	20.00
3.	2018-2019	20.00
4.	2019-2020	17.00
5.	2020-2021	17.00
6.	2021-2022	17.00
7.	2022-2023	14.00
8.	2023-2024	14.00
9.	2024-2025	14.00
10.	2025-2026	14.00

#

- i. flat 30% Financial Assistance for Vessels where main propulsion is achieved by means of green fuels such as Methanol/ Ammonia / Hydrogen fuel cells etc.
- ii. flat 20% Financial Assistance for Vessels fitted with fully electric or Hybrid Propulsion System.

SCHEDULE-V

DESIGNATION OF COMPETENT AUTHORITY

Sr. No.	Sections of the Policy	Competent Authority
(1)	(2)	(3)
1.	2 (g), 2 (i), 2(n), 2(t)	Director General of Shipping
2.	3 (d), 3(e)	Director General of Shipping
3.	4 (b), 4 (d)	Director General of Shipping
4.	6 (a)	Director General of Shipping
5.	8 (a), 8 (b), 8(h)	Director General of Shipping

ANNEXURE-I

PROCEDURE FOR OBTAINING “IN-PRINCIPLE” APPROVAL

- 1 Within forty-five (45) days from the date of signing the contract, the Shipyard shall apply under the policy on the web portal created for the purpose by the Competent Authority and obtain a unique application number, which will be used for all future references.
- 2 After the unique application number has been generated, in case of contracts for construction of Standard Vessels, the applicant Shipyard shall submit the application for in-principle approval along with the details sought by the portal and the following documents, within forty-five(45) days from the date on which the unique application number is generated:
 - (i). Notarized copy of the Contract signed between the Shipyard and the Ship Owner or buyer for construction of the Vessel;
 - (ii). Technical specifications of the Vessel to be constructed;
 - (iii). Bank Account details of the Shipyard agreed under the contract.
 - (iv). Affidavit signed by the Proprietor/Partner/Chairman/CMD/MD/CEO of the Shipyard, duly authorized in this regard, as per the format attached at Annexure-IA.
- 3 In case of contracts for construction of specialized Vessels, and, Vessels other than standard or specialized Vessels, along with generation of the unique application number the applicant shall simultaneously obtain details of five valuers, randomly selected by the portal from the list of valuers indicated in Schedule-III of these guidelines, for assessment of fair value of the Vessels.
- 4 The applicant Shipyard shall submit the application for in- principle approval, along with three valuation reports (from amongst the five valuers provided by the portal), other details sought by the portal, and the following documents, within forty-five (45) days from the date on which details of valuers are generated by the portal:
 - (i). Notarized copy of the Contract signed between the Shipyard and the Ship Owner or buyer for construction of the Vessel;
 - (ii). Technical specifications of the Vessel to be constructed;
 - (iii). Bank Account details of the Shipyard agreed under the contract.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

- (iv). Affidavit signed by the Proprietor/Partner/Chairman/CMD/MD/CEO of the Shipyard, duly authorized in this regard, as per the format attached at Annexure-IA.
- 5 In case out of the five valuers provided by the portal, more than two valuers either do not respond or are not willing to assess the value, the Shipyard shall indicate the same on the portal and request for fresh set of five valuers within forty-five (45) days from the date on which details of previous set of valuers are generated by the portal. The portal shall reselect another set of five valuers to assess the values upon such submission by the Shipyard. The applicant Shipyard shall submit the application for in-principle approval, along with the three valuation reports (from amongst the five valuers provided by the portal) and requisite documents/ details within forty-five (45) days from the date on which details of the fresh set of five valuers are generated by the portal. The applicant Shipyard shall submit the application for in- principle approval, along with three valuation reports (from amongst the five valuers provided by the portal) and requisite documents /details within forty-five (45) days from the date on which details of valuers are generated by the portal.
- 6 Provided that, if in spite of having exhausted the entire list of valuers provided in Schedule-III of the guidelines, by repeatedly following the procedure outlined in these guidelines, three valuations cannot be obtained from the International Valuers by a Shipyard, then the Directorate General of Shipping shall after satisfying itself about the inability of the applicant Shipyard to obtain three valuations, shall constitute an Expert Committee to recommend further course of action to the Ministry of Shipping.
- 7 Within thirty (30) days of final submission of application for obtaining in- principle approval, along with the three valuation reports, the Competent Authority shall scrutinize the application and either grant or decline in-principle approval to the applicant Shipyard.
- 8 Provided that in case the Competent Authority notices any deficiency in the requisite documents, it may indicate the same to the Shipyard within thirty (30) days from the date of final submission of the application and seek clarification through web portal only.
- 9 In cases where such clarifications are sought, the applicant Shipyard shall make good the deficiency and/or provide clarification within thirty (30) days of receipt of such communication from the Competent Authority through web portal only.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

- 10 On receipt of such clarification, the Competent Authority shall make a decision for grant or denial of in-principle approval on the said application within thirty (30) days of receipt of such clarification.
- 11 In case of denial either under aforementioned para 7 or para 10, the reasons for such denial shall be communicated by the Competent Authority to the applicant Shipyard, along with the final decision, within thirty (30) days and ninety (90) days, respectively, of final submission of application for obtaining in-principle approval.

ANNEXURE-IA

DRAFT AFFIDAVIT FORMAT

I, _____ (insert name), son/daughter of _____ (insert Father's name), being the authorized signatory of _____ (insert name of the Shipyard) (hereinafter referred to as the "Shipyard") do hereby solemnly affirm and state as under:

1. That I am the _____ (position / rank) of _____ (insert name of Shipyard) and am competent to swear this affidavit.

2. I state that _____ (insert name of the Shipyard) is a company/partnership firm/proprietorship firm registered under the applicable laws of the country and situated in _____ (insert name of the State) and the activities are carried out/operated within the territories of India.

3. I state that the Shipyard has executed a contract dated _____ (insert Date of Contract) with M/s. _____ (insert name and address of the Ship Owner/buyer) for construction of _____ (insert details of the Vessel like Hull No, DWT and type/category of the Vessel) (hereinafter referred to as the "Vessel"). I state that the order is an export/domestic order and has been obtained on competitive bidding/negotiated/nomination basis.

4. I state that as per the contract the following Vessel (s) have to be delivered to the Ship Owner M/s. _____ (insert name of the buyer) on the following dates, namely:-

(i) (Identification Details of Vessel 1) on _____ (contractual delivery date).

(ii) (Identification Details of Vessel 2) on _____ (contractual delivery date).

5. I state that the Shipyard shall use the following Bank Accounts for all financial transactions with the buyer/Ship Owner, namely:-

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

(i) Bank Account No. _____ (insert bank account number) opened in _____ (insert name and address of the Branch of the Bank) in the name of _____ (insert name of the Shipyard).

(ii) Bank Account No. _____ (insert bank account number) opened in _____ (insert name and address of the Branch of the Bank) in the name of _____ (insert name of the Shipyard).

5.1. I further state that any change in the Bank Account number shall be intimated by me or the authorized signatory of the Shipyard to the Government of India within seven (7) days of such change.

6. I state that the construction of the subject Vessel (s) has/have not commenced prior to signing of contract dated _____ (Date of Contract as mentioned in Para 3).

7. I state that the following documents have been furnished by the Shipyard in support of its application for release of financial assistance under Financial Assistance Policy of the Government of India, namely:-

- Notarized copy of the Contract signed between the Shipyard and the Ship Owner or buyer for construction of the Vessel;
- Technical specifications of the Vessel to be constructed;
- Bank Account details of the Shipyard agreed under the contract.

8. I state that all the above documents are true copies of their originals and are genuine.

I undertake to furnish any other/further/additional documents that may be asked by the Government of India for conveying In Principle Approval to the Shipyard.

VERIFICATION

Verified at _____ (insert place) on this the _____ day of _____ 20__ that the contents of the foregoing affidavit are true and correct to the best of my knowledge and no part of it is false and nothing material has been concealed therefrom.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

DEPONENT

NOTE:- The affidavit shall be executed after discharging the Stamp Duty Liability on the affidavit at the rate prescribed in the applicable State Stamp Act or the Indian Stamp Act whichever is applicable.

ANNEXURE-II-1

Procedure for release of financial assistance

Stage-1 Keel laying

1.1 Within thirty (30) days from the date of keel laying of the Vessel, the Shipyard, using its unique application number, shall apply for release of first stage of Financial Assistance under the Policy on the web portal and submit electronic copies of the following documents, namely: -

- Security Instrument issued in favour of Directorate General of Shipping for an amount equal to the Financial Assistance claimed at this stage.
- Affidavit as per the format in Annexure-IIA-1.
- Certification from the Recognized Organization in the format attached at Annexure-IIB-1.
- Indemnity Bond as per the format prescribed in Annexure-IIC-1 signed by a signatory duly authorized in this regard, inter-alia stating that in case any of the documents/information furnished in the claim for Financial Assistance for the Vessel is/are found to be incorrect/false at a later stage, the Shipyard shall return the Financial Assistance obtained along with interest @ 18% per annum computed from the date of grant of such Financial Assistance till the date of repayment. Beyond Ninety (90) days, however, 18% interest compounded quarterly would be payable by the Shipyard.

2.1. Within thirty (30) days of final submission of application for Financial Assistance, the Competent Authority shall scrutinize the application and either permit or deny release of Financial Assistance to the applicant Shipyard.

2.2. Provided that in case the Competent Authority notices any deficiency in the requisite documents, it may indicate the same to the Shipyard within fifteen (15) days from the date of final submission of the application and seek clarification.

2.2.1 If any document required to be submitted along with the application within requisite timeline under the guidelines, is not submitted along with the application, then a deficiency letter may be issued, and the applicant may be given 15 days to submit that document.

2.3. In cases where such clarifications are sought, the applicant Shipyard shall make good the deficiency and/ or provide clarification within fifteen (15) days of receipt of such communication from the Competent Authority.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

2.4. On receipt of such clarification, the Competent Authority shall make a decision to either permit or decline release of Financial Assistance on the said application within thirty (30) days of receipt of such clarification.

2.5. In case the Competent Authority proposes to deny release of Financial Assistance to the applicant Shipyard, the Competent Authority shall hear the applicant Shipyard in person and after such hearing, decide to either permit or deny release of Financial Assistance to the applicant Shipyard. In case of denial, the Competent Authority shall also record reasons for such denial and communicate the same to the Shipyard.

ANNEXURE-II-2

Procedure for release of financial assistance

Stage-2 On launching

1.1 Within thirty (30) days from the date of launching the Vessel, the Shipyard, using its unique application number, shall apply for release of second stage of Financial Assistance under the Policy on the web portal and submit electronic copies of the following documents, namely -

- Security Instrument issued in favour of Directorate General of Shipping for an amount equal to the Financial Assistance claimed at this stage.
- Affidavit as per the format in Annexure-IIA-2.
- Certification from the Recognized Organization in the format attached at Annexure-IIB-2.
- Indemnity Bond as per the format prescribed in Annexure-IIC-2 signed by a signatory duly authorized in this regard inter alia stating that in case any of the documents/information furnished in the claim for Financial Assistance for the Vessel is/are found to be incorrect/false at a later stage, the Shipyard shall return the Financial Assistance obtained along with interest @ 18% per annum computed from the date of grant of such Financial Assistance till the date of repayment. Beyond Ninety (90) days, however, 18% interest compounded quarterly would be payable by the Shipyard.

2.1. Within thirty (30) days of final submission of application for Financial Assistance, the Competent Authority shall scrutinize the application and either permit or deny release of Financial Assistance to the applicant Shipyard.

2.2. Provided that in case the Competent Authority notices any deficiency in the requisite documents, it may indicate the same to the Shipyard within fifteen (15) days from the date of final submission of the application and seek clarification.

2.2.1 If any document required to be submitted along with the application within requisite timeline under the guidelines, is not submitted along with the application, then a deficiency letter may be issued, and the applicant may be given 15 days to submit that document.

2.3. In cases where such clarifications are sought, the applicant Shipyard shall make good the deficiency and/ or provide clarification within fifteen (15) days of receipt of such communication from the Competent Authority.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

2.4. On receipt of such clarification, the Competent Authority shall make a decision to either permit or decline release of Financial Assistance on the said application within thirty (30) days of receipt of such clarification.

2.5. In case the Competent Authority proposes to deny release of Financial Assistance to the applicant Shipyard, the Competent Authority shall hear the applicant Shipyard in person and after such hearing, decide to either permit or deny release of Financial Assistance to the applicant Shipyard. In case of denial, the Competent Authority shall also record reasons for such denial and communicate the same to the Shipyard.

ANNEXURE-II-3

Procedure for release of financial assistance

Stage-3 On delivery

1.1 Within sixty (60) days from the date of delivery of the Vessel, the Shipyard, using its unique application number, shall apply for release of Financial Assistance under the policy on the web portal and submit electronic copies of the following documents, namely: -

- Protocol of Delivery and Acceptance of the Vessel.
- Certificate of Actual Payment received for a Vessel duly certified by a Chartered Account registered with Institute of Chartered Accountants of India as per format provided in Annexure-III.
- Certificate of Actual Payment received by the recipient bank. The certificate should be provided as per the format provided in Annexure-IIIB, on the bank's official letterhead, and must be duly signed and stamped by an authorized official of the bank.
- Builder's Certificate.
- In case of export, proof of export of the Vessel in the form of:
 - Export Clearance Certificate issued by Customs authorities.
 - Shipping Bill
- Provisional/Final Registration Certificate for the Vessel, as the case may be.
- Affidavit as per the format in Annexure-IIA-3.
- Certification from the Recognized Organization in the format attached at Annexure-IIB-3.
- Indemnity Bond as per the format prescribed in Annexure-IIC-3 signed by a signatory duly authorized in this regard, inter alia stating that in case any of the documents/information furnished in the claim for Financial Assistance for the Vessel is/are found to be incorrect/false at a later stage, the Shipyard shall return the Financial Assistance obtained along with interest @ 18% per annum computed from the date of grant of such Financial Assistance till the date of repayment. Beyond ninety (90) days, however, 18% interest compounded quarterly would be payable by the Shipyard.

2.1. Within twenty-one (21) days of final submission of application for Financial Assistance, the Competent Authority shall scrutinize the application and either permit or deny release of Financial Assistance to the applicant Shipyard.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

2.2. Provided that in case the Competent Authority notices any deficiency in the requisite documents, it may indicate the same to the Shipyard within twenty-one (21) days from the date of final submission of the application and seek clarification.

2.2.1 If any document required to be submitted along with the application within requisite timeline under the guidelines, is not submitted along with the application, then a deficiency letter may be issued, and the applicant may be given 15 days to submit that document.

2.3. In cases where such clarifications are sought, the applicant Shipyard shall make good the deficiency and/ or provide clarification within thirty (15) days of receipt of such communication from the Competent Authority.

2.4. On receipt of such clarification, the Competent Authority shall make a decision to either permit or decline release of Financial Assistance on the said application within thirty (15) days of receipt of such clarification.

2.5. In case the Competent Authority proposes to deny release of Financial Assistance to the applicant Shipyard, the Competent Authority shall hear the applicant Shipyard in person and after such hearing, decide to either permit or deny release of Financial Assistance to the applicant Shipyard. In case of denial, the Competent Authority shall also record reasons for such denial and communicate the same to the Shipyard.

ANNEXURE-II-4

Procedure for release of Security Instrument

Stage - 4 Post Delivery

- 1.1 Any Security Instruments held by DGS will be released at this stage post verification of delivery documents within thirty (30) days of delivery.
- 1.2 This stage will also cater to cases of contracts, wherein any payment is deferred by the buyer, or any payment is withheld as performance guarantee as per the terms stated in the Shipbuilding Contract initially submitted to Directorate General of Shipping, the Shipyard shall apply for release of any remaining Financial Assistance as well as the release of the Security Instruments.
- 1.3 In these cases DGS will recalculate the Actual Payment received by the Shipyard and the Financial Assistance will also be recalculated accordingly.
- 1.4 In such cases, the DGS will release for the release of the remaining part of Financial Assistance, if the same is deemed eligible, to cater for the deferred payment or the performance guarantee money, which is withheld by the buyer. The financial assistance will be released subject to the following documents:
 - a. Certificate of Payments received for the Vessel duly certified by a Chartered Account registered with Institute of Chartered Accountants of India, as per Annexure-III (copy submitted at delivery) and Annexure-IIIA.
 - b. Certificate of Actual Payment received by the recipient bank. The certificate should be provided as per the format provided in Annexure-IIIB, on the bank's official letterhead, and must be duly signed and stamped by an authorized official of the bank.
 - c. Audited balance sheet of the Shipyard for the completed financial years between the first application and the final application for the release of Financial Assistance.
 - d. Affidavit as per Annexure-IV.
- 1.5 In no case final Application for the fund release shall be made exceeding three (3) years from the end of the financial year in which the delivery of the Vessel was made.
- 1.6 Timelines for processing of final application for fund release shall adhere to the same steps as described in preceding sections of these guidelines.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

ANNEXURE-IIA-1

Affidavit Format

(after Keel laying)

I, _____ (insert name), son/daughter of _____ (insert Father's name), being the authorized signatory of _____ (insert name of the Shipyard) (hereinafter referred to as the "Shipyard") do hereby solemnly affirm and state as under:

1. That I am the _____ (position/ rank) of _____ (insert name of Shipyard) and am competent to swear this affidavit.

2. I state that _____ (insert name of the Shipyard) is a company registered under the applicable laws of the country and situated in _____ (insert name of the State) and the activities are carried out/operated within the territories of India.

3. I state that the Shipyard has executed a contract dated _____ (insert Date of Contract) with M/s. _____ (insert name and address of the Ship Owner/ buyer) for construction of _____ (insert details of the Vessel like Hull No, DWT and type/category of the Vessel) (hereinafter referred to as the "Vessel"). I state that the order is an export/domestic order and has been obtained on competitive bidding/negotiated/nomination basis.

4. I state that as per the contract the following Vessel (s) have been keel laid on the following dates namely: -

(i) (Identification Details of Vessel 1) on _____ (keel laying date).

(ii) (Identification Details of Vessel 2) on _____ (keel laying date)

5. I state that the construction of the Vessel (s) mentioned in Para 4 above has commenced after the signing of the said contract on _____ (Date of Contract as mentioned in Para 3 above.

6. I state that the following documents have been furnished by the Shipyard in support of its application for release of Financial Assistance, namely: -

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

- Security Instrument issued in the favour of Directorate General of Shipping, for an amount equal to the Financial Assistance claimed at this stage.
- Affidavit as per the format in Annexure-IIA1.
- Certification from the Recognized Organization in the format attached at Annexure-IIB1.
- Indemnity Bond as per the format prescribed in Annexure-IIC signed by the Authorised signatory of the Shipyard, duly authorized in this regard, as per the format attached at Annexure-IIC1

7. The Shipyard hereby affirms and undertakes that the Security Instrument submitted in favour of the Directorate General of Shipping shall be liable for encashment, at the sole discretion of the Directorate General of Shipping, in the event of any default, non-compliance, or breach of the Shipbuilding Financial Assistance Policy (SBFAP) guidelines by the Shipyard, and the Directorate General of Shipping shall have full authority to invoke and encash the said instrument without any demur, protest, or contest from the Shipyard.

I state that all the above documents are true copies of their originals and are genuine.

I undertake to furnish any other/further/additional documents that may be asked by the Government of India for release of Financial Assistance to the Shipyard.

VERIFICATION

Verified at _____ (insert place) on this the _____ day of _____ 20__ that the contents of the foregoing affidavit are true and correct to the best of my knowledge and no part of it is false and nothing material has been concealed therefrom.

DEPONENT

NOTE: - The affidavit shall be executed after discharging the Stamp Duty Liability on the affidavit at the rate prescribed in the applicable State Stamp Act or the Indian Stamp Act whichever is applicable.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

ANNEXURE-IIA-2

Affidavit Format

(After launching)

I, _____ (insert name), son/daughter of _____ (insert Father's name), being the authorized signatory of _____ (insert name of the Shipyard) (hereinafter referred to as the "Shipyard") do hereby solemnly affirm and state as under:

1. That I am the _____ (position / rank) of _____ (insert name of Shipyard) and am competent to swear this affidavit.

2. I state that _____ (insert name of the Shipyard) is a company registered under the applicable laws of the country and situated in _____ (insert name of the State) and the activities are carried out/operated within the territories of India.

3. I state that the Shipyard has executed a contract dated _____ (insert Date of Contract) with M/s. _____ (insert name and address of the Ship Owner/buyer) for construction of _____ (insert details of the Vessel like Hull No, DWT and type/category of the Vessel) (hereinafter referred to as the "Vessel"). I state that the order is an export/domestic order and has been obtained on competitive bidding/negotiated/nomination basis.

4. I state that as per the contract the following Vessel (s) have been launched on the following dates namely: -

(i) (Identification Details of Vessel 1) on _____ (launching date).

(ii) (Identification Details of Vessel 2) on _____ (launching date)

5. I state that:

(a) The Major Portion of the Hull of the Vessel has been constructed and assembled in India.

(b) The assembly of the hull, installation and commissioning of the major machinery and equipment, if any, has been done in India.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

(c) The construction of the Vessel (s) mentioned in Para 4 above has commenced after the signing of the said contract on _____ (Date of Contract as mentioned in Para 3 above.

6. I state that the following documents have been furnished by the Shipyard in support of its application for release of Financial Assistance, namely: -

- Security Instrument issued in the favor of Directorate General of Shipping by a financial institution, for an amount equal to the Financial Assistance claimed at this stage.
- Affidavit as per the format in Annexure-IIA1.
- Certification from the Recognized Organization in the format attached at Annexure-IIB1.
- Indemnity Bond as per the format prescribed in Annexure-IIC signed by the authorised signatory of the Shipyard, duly authorized in this regard, as per the format attached at Annexure-IIC1

7. The Shipyard hereby affirms and undertakes that the Security Instrument submitted in favour of the Directorate General of Shipping shall be liable for encashment, at the sole discretion of the Directorate General of Shipping, in the event of any default, non-compliance, or breach of the Shipbuilding Financial Assistance Policy (SBFAP) guidelines by the Shipyard, and the Directorate General of Shipping shall have full authority to invoke and encash the said Security Instrument without any demur, protest, or contest from the Shipyard.

I state that all the above documents are true copies of their originals and are genuine.

I undertake to furnish any other/further/additional documents that may be asked by the Government of India for release of Financial Assistance to the Shipyard.

VERIFICATION

Verified at _____ (insert place) on this the _____ day of _____ 20__ that the contents of the foregoing affidavit are true and correct to the best of my knowledge and no part of it is false and nothing material has been concealed therefrom.

DEPONENT

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

NOTE: - The affidavit shall be executed after discharging the Stamp Duty Liability on the affidavit at the rate prescribed in the applicable State Stamp Act or the Indian Stamp Act whichever is applicable.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

ANNEXURE-IIA-3

Affidavit Format

(on delivery)

I, _____ (insert name), son/daughter of _____ (insert Father's name), being the authorized signatory of _____ (insert name of the Shipyard) (hereinafter referred to as the "Shipyard") do hereby solemnly affirm and state as under:

1. That I am the _____ (position / rank) of _____ (insert name of Shipyard) and am competent to swear this affidavit.

2. I state that _____ (insert name of the Shipyard) is a company registered under the applicable laws of the country and situated in _____ (insert name of the State) and the activities are carried out/operated within the territories of India.

3. I state that the Shipyard has executed a contract dated _____ (insert Date of Contract) with M/s. _____ (insert name and address of the Ship Owner/buyer) for construction of _____ (insert details of the Vessel like Hull No, DWT and type/category of the Vessel) (hereinafter referred to as the "Vessel"). I state that the order is an export/domestic order and has been obtained on competitive bidding/negotiated/nomination basis.

4. I state that as per the contract the following Vessel (s) have been delivered to the Ship Owner M/s. _____ (insert name of the buyer) on the following dates, namely: -

(i) (Identification Details of Vessel 1) on _____ (actual delivery date).

(ii) (Identification Details of Vessel 2) on _____ (actual delivery date).

5. I state that the Shipyard has obtained the foreign currency in the following Bank Accounts for all financial transactions with the buyer/Ship Owner, namely: -

(i) Bank Account No. _____ (insert bank account number) opened in _____ (insert name and address of the Branch of the Bank) in the name of _____ (insert name of the Shipyard).

(ii) Bank Account No. _____ (insert bank account number) opened in _____ (insert name and address of the Branch of the Bank) in the name of _____ (insert name of the Shipyard).

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

6. I state that:

(a) The Major Portion of the Hull of the Vessel has been constructed and assembled in India.

(b) The assembly of the hull, installation and commissioning of the major machinery and equipment has been done in India. The tests/trials of the complete Vessel have been done at _____ based on the owner's requirements/Contract.

(c) The construction of the Vessel (s) mentioned in Para 4 above has commenced after the signing of the said contract on _____ (Date of Contract as mentioned in Para 3 above.

7. I state that the following documents have been furnished by the Shipyard in support of its application for release of Financial Assistance, namely: -

- Protocol of Delivery and Acceptance of the Vessel.
- Certificate of Actual Payment received for a Vessel duly certified by a Chartered Account registered with Institute of Chartered Accountants of India.
- Builder's Certificate.
- In case of export, Proof of export of the Vessel in the form of:
 - Export Clearance Certificate issued by Customs authorities.
 - Shipping Bill
- Provisional/Final Registration Certificate of the Vessel, as the case may be.
- Affidavit as per the format in Annexure-IIA.
- Certification from the Recognized Organization in the format attached at Annexure-IIB.
- Indemnity Bond signed by the Authorised signatory, duly authorized in this regard, as per the format attached at Annexure-IIC.

8. I state that all the above documents are true copies of their originals and are genuine.

I undertake to furnish any other/further/additional documents that may be asked by the Government of India for release of Financial Assistance to the Shipyard.

VERIFICATION

Verified at _____ (insert place) on this the _____ day of _____ 20__ that the contents of the foregoing affidavit are true and correct to the best of my knowledge and no part of it is false and nothing material has been concealed therefrom.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

DEPONENT

NOTE: - The affidavit shall be executed after discharging the Stamp Duty Liability on the affidavit at the rate prescribed in the applicable State Stamp Act or the Indian Stamp Act whichever is applicable.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

ANNEXURE-IIB-1

Inspection certificate after keel laying

(Letter Head of the Recognized Organization)

To,

[The Competent Authority]

Subject: Inspection Certificate for Vessel no. _____ after keel laying

This is to certify that:

(a) The above Vessel has been inspected by the surveyors of the Recognized Organization to verify that the said Vessel has been built in accordance with technical specification as per the initial contract dated _____ and found to be conforming to the contractual specification as on the date of launching, as mentioned below.

(b) It is also certified that the construction of the Vessel has commenced on _____.

(c) It is also certified that the Vessel has been keel laid on _____.

(d) Deviations from the contract specifications are as listed below

(i) _____

(ii) _____

Yours sincerely,

(Name of the authorized signatory)

Enclosures: As above.

Copy to: _____ (insert name of the Shipyard)

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

ANNEXURE-IIB-2

Inspection certificate after launching

(Letter Head of the Recognized Organization)

To,

[The Competent Authority]

Subject: Inspection Certificate for Vessel no. _____ after launching

This is to certify that:

(a) The above Vessel has been inspected by the surveyors of the Recognized Organization to verify that the said Vessel has been built in accordance with technical specification as per the initial contract dated _____ and found to be conforming to the contractual specification as on the date of launching, as mentioned below.

(b) It is also certified that the construction of the Vessel has commenced on _____.

(c) It is also certified that the Vessel has been launched on _____.

(d) It is further certified that the Major Portion of the Hull of the Vessel at the date of launching has been constructed and assembled in India.

(e) Deviations from the contract specifications are as listed below

(i) _____

(ii) _____

Yours sincerely,

(Name of the authorized signatory)

Enclosures: As above.

Copy to: _____ (insert name of the Shipyard)

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

ANNEXURE-IIB-3

Inspection certificate after delivery

(Letter Head of the Recognized Organization)

To,

[The Competent Authority]

Subject: Inspection Certificate for Vessel no. _____, on delivery

This is to certify that:

- (a) The above Vessel has been inspected by the surveyors of the Recognized Organization to verify that the said Vessel has been built in accordance with technical specification as per the initial contract dated _____ and found to be conforming to the contractual specification.
- (b) It is also certified that the construction of the Vessel has commenced on _____.
- (c) It is further certified that the Major Portion of the Hull of the Vessel has been constructed and assembled in India. The assembly of the hull, installation and commissioning of the major machinery and equipment has been done in India. The tests/trials of the complete Vessel have been done at _____ based on the owner's requirements/ contract.
- (d) It is certified that the Vessel has been delivered on _____.
- (d) Main particulars of the ship, report of survey (Annexure-IIB-4), deviations from the specifications (Annexure-IIB-5) and survey findings for previous stages are placed at Annexure-IIB-1 and Annexure-IIB-2.

Yours sincerely,

(Name of the authorized signatory)

Enclosures: As above.

Copy to: _____ (insert name of the Shipyard)

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

MAIN PARTICULARS

Owner : _____

IMO No. : _____

Name of Shipyard : _____

Yard No. : _____

Contract Ref. : _____

Gross Tonnage : _____

Type of Vessel : _____

Main Dimensions: -

Length over all : _____ m

Breadth moulded : _____ m

Depth : _____ m

Class Notation: _____

Descriptive Note: _____

Issued on: _____

Issued at: _____

Yours sincerely,

(Name of the authorized signatory)

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

ANNEXURE-IIB-4

Report of survey

Upon the request from shipbuilder M/s. _____, India, the undersigned surveyor carried out survey of their _____ Vessel _____ (Yard No. _____) to verify that the Vessel, as built, conforms to the contract specification, during the period _____ date _____, at the Shipyard's premises at (_____ location _____).

The following have been observed/ verified as part of the above survey:

(a) _____

(b) _____

(c) _____

(d) _____

(e) _____

(f) _____

(g) _____

Sd/-

(Name of the authorized signatory)

ANNEXURE-IIB-5

Deviations from the contract specification

Sd/-

(Name of the authorized signatory)

ANNEXURE-IIC-1

Format of the indemnity bond

INDEMNITY BOND (AFTER KEEL LAYING)

1. THIS INDEMNITY BOND executed at _____ on this _____ day of _____ year, by _____ (insert name of the Shipyard), through its, _____ (insert name of Authorized signatory), son/daughter of _____ (insert father's name) of _____ (insert name and address of the Shipyard) (hereinafter called "the Shipyard")

IN FAVOUR OF

Government of India represented through Ministry of Ports, Shipping and Waterways, Transport Bhavan, New Delhi- 110 001 (hereinafter called the "Government").

WHEREAS _____ (insert name of Shipyard) ("Shipyard") had executed a Contract with M/s. _____ (insert full name and address of the buyer) vide agreement dated _____ for construction of _____ (insert details of the Vessel like Hull No, DWT and type/category of the Vessel). The order had been obtained on competitive bidding/negotiation/nomination basis.

AND WHEREAS the Shipyard has applied to the Ministry for release of Financial Assistance in respect of the Vessel and obtained the Approval on _____.

AND WHEREAS on the basis of the documents furnished, the Shipyard is eligible for _____ % Financial Assistance in respect of the Vessel on the following terms and conditions:

- (a) The documents furnished by the Shipyard are true copies of their originals and are genuine.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

- (b) The Vessel for which Financial Assistance is being claimed by the Shipyard has been built in accordance with the technical specification reflected in the initial contract document and there has been no major variation in the same.
- (c) The construction of the said Vessel (s) has commenced after the date of signing of contract.
- (d) The Shipyard shall furnish any other further/additional documents that may be required by the Government for release of Financial Assistance to the Shipyard.
- (e) The amount of Financial Assistance that may be received by the Shipyard is not full and final settlement at the keel laying stage. Shipyard shall submit separate application for full and final settlement after the delivery of the Vessel in accordance with these (SBFAP) guidelines.
- (f) The Shipyard hereby affirms and undertakes that the Security Instrument submitted in favour of the Directorate General of Shipping shall be liable for encashment, at the sole discretion of the Directorate General of Shipping, in the event of any default, non-compliance, or breach of the Shipbuilding Financial Assistance Policy (SBFAP) guidelines by the Shipyard, and the Directorate General of Shipping shall have full authority to invoke and encash the said Security Instrument without any demur, protest, or contest from the Shipyard.

NOW, THEREFORE, THESE PRESENT WITNESSETH:

That in pursuance of conditions hereinbefore mentioned, which the Shipyard has accepted without any condition or reservation, the Shipyard hereby agrees to indemnify and keep harmless the Government against all damages, losses, claims, costs, etc. which the Government may have to suffer, undergo, incur as a result of any misrepresentation of any information to the Government for release of Financial Assistance to the Shipyard for the Vessel.

Further, the Financial Assistance received by the Shipyard would be returned with interest @18 percent per annum, from the date of grant of Financial Assistance, if any information/document furnished by the Shipyard for claiming such assistance is found to be incorrect.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

(Name of the authorized signatory)

Witnesses:

1.(Name and sign)
2.(Name and sign)

NOTE:- The affidavit shall be executed after discharging the Stamp Duty Liability on the affidavit at the rate prescribed in the applicable State Stamp Act or the Indian Stamp Act whichever is applicable.

ANNEXURE-IIC2

Format of the indemnity bond

INDEMNITY BOND (AFTER LAUNCHING)

1. THIS INDEMNITY BOND executed at _____ on this _____ day of _____ year, by _____ (insert name of the Shipyard), through its, _____ (insert name of Authorized signatory), son/daughter of _____ (insert father's name) of _____ (insert name and address of the Shipyard) (hereinafter called "the Shipyard")

IN FAVOUR OF

Government of India represented through Ministry of Ports, Shipping and Waterways, Transport Bhavan, New Delhi- 110 001 (hereinafter called the "Government").

WHEREAS _____ (insert name of Shipyard)("Shipyard") had executed a Contract with M/s. _____ (insert full name and address of the buyer) vide agreement dated _____ for construction of _____ (insert details of the Vessel like Hull No, DWT and type/category of the Vessel). The order had been obtained on competitive bidding/negotiation/nomination basis.

AND WHEREAS the Shipyard has applied to the Ministry for release of Financial Assistance in respect of the Vessel and obtained the Approval on _____.

AND WHEREAS on the basis of the documents furnished, the Shipyard is eligible for _____ % Financial Assistance in respect of the Vessel on the following terms and conditions:

(g) The documents furnished by the Shipyard are true copies of their originals and are genuine.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

- (h) The Vessel for which Financial Assistance is being claimed by the Shipyard has been built in accordance with the technical specification reflected in the initial contract document and there has been no major variation in the same.
- (i) The Major Portion of the Hull of the Vessel at launching stage for which Financial Assistance is claimed has been constructed and assembled in India. The assembly of the hull, and the installation and commissioning of the major machinery and equipment, if any of the Vessel has been done in India.
- (j) The construction of the said Vessel (s) has commenced after the date of signing of contract.
- (k) The Shipyard shall furnish any other further/additional documents that may be required by the Government for release of Financial Assistance to the Shipyard.
- (l) The amount of Financial Assistance that may be received by the Shipyard is not full and final settlement at the launching stage. Shipyard shall submit separate application for full and final settlement after the delivery of the Vessel in accordance with these SBFAP guidelines.
- (m) The Shipyard hereby affirms and undertakes that the Security Instrument submitted in favor of the Directorate General of Shipping shall be liable for encashment, at the sole discretion of the Directorate General of Shipping, in the event of any default, non-compliance, or breach of the Shipbuilding Financial Assistance Policy (SBFAP) guidelines by the Shipyard, and the Directorate General of Shipping shall have full authority to invoke and encash the said Security Instrument without any demur, protest, or contest from the Shipyard.

NOW, THEREFORE, THESE PRESENTWITNESSETH:

That in pursuance of conditions hereinbefore mentioned, which the Shipyard has accepted without any condition or reservation, the Shipyard hereby agrees to indemnify and keep harmless the Government against all damages, losses, claims, costs, etc. which the Government may have to suffer, undergo, incur as a result of any misrepresentation of any information to the Government for release of Financial Assistance to the Shipyard for the Vessel.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

Further, the Financial Assistance received by the Shipyard would be returned with interest@18 percent per annum, from the date of grant of Financial Assistance, if any information/document furnished by the Shipyard for claiming such assistance is found to be incorrect.

(Name of the authorized signatory)

Witnesses:

1.(Name and sign)
2.(Name and sign)

NOTE:- The affidavit shall be executed after discharging the Stamp Duty Liability on the affidavit at the rate prescribed in the applicable State Stamp Act or the Indian Stamp Act whichever is applicable.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

ANNEXURE-IIC3

Format of the indemnity bond (on delivery)

INDEMNITY BOND

1. THIS INDEMNITY BOND executed at _____ on this _____ day of _____ year, by _____ (insert name of the Shipyard), through its, _____ (insert name of Authorized signatory), son/daughter of _____ (insert father's name) of _____ (insert name and address of the Shipyard) (hereinafter called "the Shipyard")

IN FAVOUR OF the Government of India represented through Ministry of Ports, Shipping and Waterways, Transport Bhavan, New Delhi- 110 001 (hereinafter called the "Government").

WHEREAS _____ (insert name of Shipyard) ("Shipyard") had executed a Contract with M/s. _____ (insert full name and address of the buyer) vide agreement dated _____ for construction of _____ (insert details of the Vessel like Hull No, DWT and type/category of the Vessel). The order had been obtained on competitive bidding/negotiation/nomination basis.

AND WHEREAS the Vessel was due for delivery on _____ as per paragraph _____ of the contract and has been delivered to the Ship Owner i.e. M/s. _____ (insert name of the Buyer) on _____ vide Protocol of Delivery and Acceptance dated _____.

AND WHEREAS the Shipyard has applied to the Ministry for release of Financial Assistance in respect of the Vessel and obtained the Approval on _____.

AND WHEREAS on the basis of the documents furnished, the Shipyard is eligible for _____ % Financial Assistance in respect of the Vessel on the following terms and conditions:

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

- a. The documents furnished by the Shipyard are true copies of their originals and are genuine.
- b. The Vessel for which Financial Assistance is being claimed by the Shipyard has been built in accordance with the technical specification reflected in the initial contract document and there has been no major variation in the same.
- c. The Major Portion of the Hull of the Vessel for which Financial Assistance is claimed has been constructed and assembled in India. The assembly of the hull, installation and commissioning of the major machinery and equipment of the Vessel has been done in India. The test/trials have been done in India/outside India, in terms of the Contract/owner requirements.
- d. The construction of the said Vessel (s) has commenced after the date of signing of contract.
- e. The Shipyard shall furnish any other further/additional documents that may be required by the Government for release of Financial Assistance to the Shipyard.
- f. The amount of Financial Assistance that may be received by the Shipyard shall be the full and final settlement of the claim of the Shipyard towards Financial Assistance and the Shipyard shall have no further claim from the Government in this regard.
- g. The Shipyard shall accept the Financial Assistance as assessed by the Government as full and final settlement of their claim.

NOW, THEREFORE, THESE PRESENT WITNESSETH:

That in pursuance of conditions hereinbefore mentioned, which the Shipyard has accepted without any condition or reservation, the Shipyard hereby agrees to indemnify and keep harmless the Government against all damages, losses, claims, costs, etc. which the Government may have to suffer, undergo, incur as a result of any misrepresentation of any information to the Government for release of Financial Assistance to the Shipyard for the Vessel.

Further, the Financial Assistance received by the Shipyard would be returned with interest@18 percent per annum, from the date of grant of Financial Assistance, if any information/document furnished by the Shipyard for claiming such assistance is found to be incorrect.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

(Name of the authorized signatory)

Witnesses:

1.(Name and sign)
2.(Name and sign)

NOTE:- The affidavit shall be executed after discharging the Stamp Duty Liability on the affidavit at the rate prescribed in the applicable State Stamp Act or the Indian Stamp Act whichever is applicable.

Government of India
Ministry of Ports, Shipping and Waterways
 File No. SY-16023/6/2015-SBR

ANNEXURE-III

[Format for letter of chartered account on the letter head of the practising chartered accountant] (Delivery)

This is to certify that _____ (Name of Shipyard) (hereinafter referred to as the “awardee”) was awarded a Contract for construction of _____ for the owner, M/s. _____ (Name and address of the Ship Owner/broker/charterer). This Certificate is issued to _____ (Name of the Shipyard) for them to claim the Financial Assistance from the Government of India under the Shipbuilding Financial Assistance Policy of the Government of India, which is promulgated as per GOI order no. _____ dated _____.

Signature

Name

Address

Dated.....

Member In Practice

Place.....

SEAL

The breakup details of the balance payment received by the Shipyard, subsequent to the date of issuance of initial certificate by the Chartered accountant, is as follows.

S.No.	Invoice No.& date	Date of receipt of payment	Total Amount Received (INR)	Break-up of amount received (INR)	
				Principal component	Tax component
1					
2					
3					
4					

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

...					
Total					

Signature

Name

Address

Dated.....

Member In Practice

Place.....

SEAL

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

ANNEXURE-III A

[Format for letter of chartered account on the letter head of the practising chartered accountant] (Post-delivery)

This is to certify that _____ (Name of Shipyard) (hereinafter referred to as the "awardee") was awarded a Contract for construction of _____ for the owner, M/s. _____ (Name and address of the Ship Owner/broker/charterer).

With regard to the request for the release of Financial Assistance under the policy, the Shipyard has earlier submitted an affidavit vide _____ dated _____ towards the first claim, a copy of which is attached with this certificate

The undersigned has carried out a financial audit onin order to ascertain the subsequent payments received by the Shipyard from the buyer as stated in the contract. It is noted that the owner has deducted an amount of Rs _____ (amount in INR calculated based on the exchange rate prevailing on the date of effecting payment by the Ship Owner/broker /charterer) as Liquidated Damage towards the non-performance of Vessel/ non fulfilment of performance guarantee as per the term of the original contract

The balance net price received by the yard against the deferred payment /performance guarantee money is INR _____ (In Indian Rupees) against the balance receivable amount of _____ (amount in INR).

This Certificate is issued to (Name of the Shipyard), in order to make the final claim of the Financial Assistance from the Government of India, under the Shipbuilding Financial Assistance Policy of the Government of India.

Signature

Name

Address

Dated.....

Member In Practice

Place.....

SEAL

Government of India
Ministry of Ports, Shipping and Waterways
 File No. SY-16023/6/2015-SBR

The breakup details of the balance payment received by the Shipyard, subsequent to the date of issuance of initial certificate by the Chartered accountant (copy submitted at time of delivery), is as follows.

S.No.	Invoice No.& date	Date of receipt of payment	Total Amount Received (INR)	Break-up of amount received (INR)	
				Principal component	Tax component
1					
2					
3					
4					
...					
Total					

Signature

Name

Address

Dated.....

Member In Practice

Place.....

SEAL

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

ANNEXURE–IIIB

Certificate of Actual Payment received

Letter head of the Bank

We, (name of the bank, branch) certify that an amount of INR/Currency (As applicable) (_____) is credited into the (name of the bank, branch) in account bearing no. _____ of M/s _ (name of the Shipyard) having their registered office at (_____). This amount has been received towards payment as per contract number _____ dated _____ for the construction of _____ Vessel (yard no. __) between M/s. _____ and M/s _____

The details of payment are shown below.

S. No.	Date of Payment Received	Amount Received	Payer Details		Transaction ID / Reference Number
			Account Name	Account Number	

Dated.....

Place.....

Signature

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

ANNEXURE-IV

Affidavit Format (Post Delivery)

I, _____ (insert name), son/daughter of _____ (insert Father's name), being the authorized signatory of _____ (insert name of the Shipyard) (hereinafter referred to as the "Shipyard") do hereby solemnly affirm and state asunder:

1. That I am the _____ (Rank / Position) of _____ (insert name of Shipyard) and am competent to swear this affidavit.

2. I state that as per the contract the following Vessel (s) has / have been delivered to the Ship Owner M/s. _____ (insert name of the buyer) on the following dates, namely: _____

(i) (Identification Details of Vessel1) on _____ (actual delivery date).

(ii) (Identification Details of Vessel2) on _____ (actual delivery date).

3. I state that the Shipyard has obtained the foreign currency in the following Bank Accounts for all financial transactions with the buyer/Ship Owner, namely: -

(i) Bank Account No. _____ (insert bank account number) opened in _____ (insert name and address of the Branch of the Bank) in the name of (insert name of the Shipyard).

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

(ii) Bank Account No. _____ (insert bank account number) opened in
(insert name and address of the Branch of the Bank) in the name of (insert name of the Shipyard).

I state that:

- (a) The Vessel/s was delivered on (dd/mm/yyyy) at (place).
- (b) The Shipyard has already received / applied for (strike out which is not applicable) Financial Assistance (*amount in INR*) under “Shipbuilding Financial Assistance Policy” upon processing of the first application for the release of Financial Assistance on (dd/mm/yyyy, Date of sanction of release of Financial Assistance under first application).
- (c) The Shipyard has received the “retention money/performance guarantee money/deferred payment” for the remaining amount (.....*in INR*) on date (dd/mm/yyyy) from owner/buyer, after deduction of amount (...../ or ‘nil’ as the case may be) from the contract price.
- (d) The cost for any additional work other than the term of the contract is not included in the above amount.

1. I state that the following documents have been furnished by the Shipyard in support of its application for release of Financial Assistance, namely: -

- Certificate of Payments received for the Vessel, duly certified by a Chartered Accountant registered with Institute of Chartered Accountants of India”. (Annexure-IIIA)
- “Audited Balance Sheet” of the Shipyard for the complete financial year between the first application for part release of Financial Assistance and the final application for the remaining amount of Financial Assistance.

2. I state that all the above documents are true copies of their originals and are genuine.

Government of India
Ministry of Ports, Shipping and Waterways
File No. SY-16023/6/2015-SBR

I undertake to furnish any other/further/additional documents that may be asked by the Government of India for release of Financial Assistance to the Shipyard.

VERIFICATION

Verified at _____(insert place) on this the _____ day of _____20____ that the contents of the foregoing affidavit are true and correct to the best of my knowledge and no part of it is false and nothing material has been concealed there from.

DEPONENT

NOTE:- The affidavit shall be executed after discharging the Stamp Duty Liability on the affidavit at the rate prescribed in the applicable State Stamp Act or the Indian Stamp Act, whichever is applicable.
