

THIS IS JUST A FORMAT.

Kindly take proper Legal Advice for Drafting Document as per your requirements.

Agreement for Sale of a Ship

AGREEMENT is made at ... this ... day of ... between M/s A B & Co. Ltd., a company registered under the Companies Act, 1956, having its registered office at ... hereinafter referred to as 'the Owner' of the One Part and M/s X Y Z & Co. Ltd., a company registered under the said Act and having its registered office at ... hereinafter referred to as the 'Purchaser' of the Other Part.

WHEREAS

1. The Owner owns a seagoing ship of the class of ... built at ... having a registered tonnage and other particulars, which are given in the Schedule hereunder written.

2. The Owner has agreed to sell to the Purchaser the said ship on the following terms and conditions.

NOW IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:-

1. The Owner agrees to sell and the Purchaser agrees to buy the said ship more particularly described in the Schedule hereunder written, fully equipped with all necessary parts together with everything belonging to her on board and shore and including wireless and electronic installations and nautical instruments, at the price of Rs... out of which a sum of Rs... has been paid by the Purchaser to the Owner on the execution of this agreement as earnest and in part payment of the said price (receipt whereof the Owner hereby admits) and the balance will be paid against delivery of possession of the said ship as hereinafter stated.

2. The sale shall be completed on the ... day of ... time being essence of the contract.

3. The Owner shall give all facilities to the Purchaser to inspect the said ship at the port of delivery namely ... provided that the inspection shall be without any opening up of any part thereof and without putting the Owners to any costs. During inspection the Owner shall make available to the Purchaser the log book for the voyage and the deck and all other documents and papers relating to the said ship.

4. The Owner shall also allow to the Purchaser inspection of the bottom of the ship and of those parts thereof which are under the water level and if so required by the Purchaser the Owner shall arrange to place the said ship in a dry dock at the port of delivery. If the rudder, propeller, bottom and other parts of the ship under water are found damaged or defective, the Owner shall make good the damage or defects at its costs and to the satisfaction of the Purchaser so as to obtain a clear certificate of class. Whilst the ship will be kept in the dry dock the Owner will arrange to cause the tackle and the shaft drawn should the same be condemned or found defective so as to affect the ship's clean certificate of class and it

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shall be renewed or made good at the Owner's expenses to the satisfaction of the Purchaser or his authorised representative. The cost of putting the ship in the dry dock will be borne by the Owner if any parts are found damaged or defective otherwise the costs will be borne by the Purchaser.

5. The Owner shall satisfy the Purchaser that the said ship is not mortgaged or there are no other encumbrances thereon whatsoever and that the ship is registered in the name of the Owner only and there is no other sharer therein.

6. The ship will be sold alongwith the provisions, bunkers, unused oil and other stores on the said ship lying and so also the spare parts, space equipment including spare tackle and shaft, spare propellers belonging to the ship whether on the ship or outside and existing at the time of inspection by the Purchaser but the costs of the said articles and things above referred to in this clause will be paid by the Purchaser separately and at the market rate.

7. After the ship is inspected and the Purchaser is satisfied with the condition of the ship and as well as to the title of the Owner free from encumbrances and claims as provided above the sale shall be completed.

8. The sale shall be completed on the Purchaser paying the balance of the price as aforesaid and other charges as provided in clause 6 above by a Bank draft and the Owner handing over possession of the said ship to the Purchaser on as is where is basis.

9. On delivery of possession of the ship the Owner shall get the registration of the ship in his name deleted from the ship Register and deliver a certificate of such deletion to the Purchaser. The Owner shall also deliver the certificates for the hire, engine, anchor, and other parts as well as the log books and plans relating to the ship in the possession of the Owner.

10. The Owner hereby covenants that the said ship is free from any encumbrances and claims and agrees to indemnify and keep indemnified the Purchaser against all claims to the said ship, and all loss, damages, costs, charges and expenses that may be incurred or suffered by the Purchaser on account of such claims.

11. Until completion of sale as aforesaid, the ship shall be at the risk of the Owner.

12. This agreement is subject to the approval of the Govt. of India for the transfer of the ship by the Owner to the Purchaser and for which approval the Owner shall apply to the Govt. within two weeks from the date hereof and the Owner shall furnish all information as may be required by the Govt. for such approval. If the Govt. refuses to grant the approval for transfer this agreement shall stand cancelled and in that event the Owner shall return the earnest money forthwith to the Purchaser and each party shall pay its costs of and incidental to this agreement.

13. If on inspection of the ship the Purchaser is not satisfied with the condition thereof or if the title of the said Owner to the said ship is not clear and absolute or if there is any encumbrance on the said ship or if there is prohibition found against transfer of the ship under the rules or

