



ISO 9001:2015, ISO 14001:
2015 & OHSAS 18001:2007

வ.உ.சிதம்பரனார் துறைமுக பொறுப்புக் கழகம்
V.O.CHIDAMBARANAR PORT TRUST
(MINISTRY OF SHIPPING, GOVERNMENT OF INDIA)
ADMINISTRATIVE OFFICE, HARBOUR ESTATE, TUTICORIN 628 004, TAMIL NADU



SAGARMALA
PORT LED PROSPERITY

File.No.TRA-OFTCO-MIS-COVID-A1-20V1(46318)/D. 881

Date: 15.05.2020

CIRCULAR

Sub: Deferment of VRC for Indian Coastal Vessels- reg

Ref: (i) MoS order No. PD-14033/4/2020-PD VII dated 21.04.2020

(ii) VOCPT-Trade Notice vide TRA-OFTCO-MIS- COVID-A1-20V1
(46318)/D. dated 24.04.2020.

With reference to the circular cited under ref (ii) above, it is informed that the Indian coastal vessel operators, may avail of Deferment of payment of Vessel Related Charges (VRC) i.e., Port Dues/ Pilotage/ Berth Hire Charges free of interest benefit upto 60 days in accordance with the Ministry's Orders cited as ref (i). Further, the request to avail the deferment is subject to submission of Bank Guarantee of equivalent value as per the specimen enclosed. Also, the Deferment requests shall be submitted on or before 30th May,2020 for consideration.

It is requested to circulate the contents of this 'Circular' widely amongst your constituent members for information & needful action.


TRAFFIC MANAGER

Encls: As above

To

1. Tuticorin Ship Agents Association (TSAA)
2. Tuticorin Customs Brokers' Association (TCBA)
3. Coastal Mechanized Sail Vessel Owner's Association.

SPECIMEN FORM OF BANK GUARANTEE BOND

Pursuant to the **payment of Vessel Related Charges i.e. Port Dues/Pilotage/Berth Hire Charges in respect of the vessel _____ calling in the Port on _____**, Chairman representing the Board of Trustees of V.O.Chidambaranar Port Trust, herein after referred as "The Port", having agreed to **M/s. _____**, herein after referred as "Port User" (which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, representatives and assignees) to defer the payment of the said amount on production of Bank Guarantee for **Rs. _____ (Rupees _____ only)**.

2. We*____(hereinafter referred to as the Bank) at the request of **Port User** do hereby undertake to pay to **The Port** an amount not exceeding **Rs. _____ (Rupees _____ only)**, against any non payment beyond 60 days from the date of actual due date of payment to The Port on the above said charges, on any reason, by the said Port user.

3. We* ____do hereby undertake to pay the amounts due payable under this Guarantee without any demur, merely on a demand from the Port stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the Port by reason of non payment of VRC to The Port by the said **Port User** . Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However our liability under this Guarantee shall be restricted to an amount not exceeding **Rs. _____ (Rupees _____ only)**..

4.We undertake to pay The Port any money so demanded notwithstanding any dispute or disputes raised by **Port User** in any suit or proceedings before any Court of Tribunal relating thereto our liability under this present being absolute and unequivocal.

5. The payment so made by us under this bond shall be valid discharge of our liability for payment there under and the **Port User** shall have no claim against us for making such payment.

6.We* (Name of the Bank) further agree that the Guarantee herein contained shall remain in full force and effect during the period as mentioned above and it shall continue to be enforceable till all the dues of VRC have been fully paid to The Port. The Guarantee shall be discharges on certification of the Finance Department,

V.O.Chidambaranar Port Trust that all the due VRC have been fully and properly paid by Port User to The Port and accordingly discharges this Bank Guarantee. Unless a demand or claim under this Guarantee is made on us in writing within three months from the date of expiry of the validity of the Bank Guarantee period we shall be discharged from all liability under this Guarantee thereafter provided further that the Bank shall at the request of the Port but at the cost of **Port User** renew or extend this Guarantee for such further period or periods as the Port may require.

7.We * _____ further agree The Port, that The Port shall have the fullest liberty without consent and without affecting in any manner our obligations hereunder to vary any of the terms of agreement on the said subject from time to time or to postpone for any time or from time to time any of the powers exercisable by the Port against Port User or for any forbearance, act or omission on the part of The Port or any indulgence by the Port to the said Port User or by any such matter or thing whatsoever which under the Law relating to sureties would but for this provision, have effect of so relieving us.

8.This Guarantee will not be discharged due to the change in the constitution of the Bank or **Port User**. We * _____ lastly undertake not to revoke this Guarantee during its currency except with the previous consent of the Port in writing.

9.This guarantee is valid upto a period of **5 months from the date of issue of this Guarantee.**

Dated the day of 2020 for

* Indicate here the name of the Bank.

No. PD-14033/4/2020-PD VII
Government of India
Ministry of Shipping

Transport Bhawan,
1, Parliament Street,
New Delhi-110001
Dated 21st April, 2020

To

Chairperson & CMD
All Major Ports

Sub: Issues at Major Ports relating to;
1) Exemptions/Remission of charges
2) Force Majeure

Due to COVID19 pandemic and lockdown measures in several countries, the logistic chain has been severely disrupted and associated production & consumption centres have been affected. The logistic chains are going through an unusual and massive shock from the disruptions on supply side as well as the demand side. The logistic chain related businesses including traders, importers, exporters, port operators, shipping lines, transporters are facing huge challenge in maintaining their businesses due to lower trade volume as well as cash flow issues. Therefore, it is required that some relief measures are taken to support and rebuild the logistic chain.

2. Ministry of Home Affairs, Government of India had issued order No 40-3/2020-DM-I (A) dated 24.03.2020 and subsequent order dated 15/4/2020 along with its amendments to impose lockdown from 22nd March to 3rd May, 2020(hereafter "**Lockdown Period**") to contain COVID-19 pandemic in the country. The lock-down measures and associated disruptions in logistic chains have impacted the Indian ports and port users. There is an impact in the form of drop in imports & exports volumes, delays in evacuation of cargo, cash flow issues etc. resulting in inability of port users, concessionaires and other stakeholders to fulfil their obligations to port authorities and banks/lenders. In view of this extraordinary situation and after considering the representations received from various stakeholders, all Major Ports are directed that:-



Page 1 of 5

3. **Remission of charges to Port Users**

- (i) *Storage Charges:* Ports shall allow free storage time to all port users for the Lock-down Period.
- (ii) *Lease rentals, licence fees related charges:* Ports shall allow deferment of April, May and June months, annual lease rentals/licence fees on pro-rata basis, without any interest, if requested by lessee/licensee. This shall be applicable only for the annual lease rentals/licence fee to be received by port for year 2020.
- (iii) *Other Charges, penalties etc.:* Ports shall ensure that no penal charges, demurrages, detention charges, dwell time charges, anchorage charges, penal berth hire charges, performance related penalties etc. are levied on any port user (traders, importer, exporters, shipping lines, concessionaires, licensees, CFS, etc.) for any delay in berthing, loading/unloading operations or evacuation/arrival of cargo during the Lock-down Period plus 30 days recovery period.
- (iv) *Additional land for storage:* If requisite additional land is available within port area, the port shall make all efforts to provide the additional storage land to port users, on temporary basis, without any charges, rentals, fee etc upto 30th June 2020 on 'as is where is' basis.

4. **Remission of charges to PPP concessionaire**

Due to the impact of COVID and lockdown measures, there is drop in cargo volume at several Public Private Partnership (PPP) berths/terminals in Major-Ports. Therefore, ports shall extend the following to such PPP concessionaires;

- (i) *Revenue share, royalty and equipment hire related charges:* Ports shall allow deferment of April, May and June months' revenue, royalty and equipment hire charges without any interest, if requested by concessionaire. The said deferred amount shall be paid by concessionaire after interest free period of three months(reckoned month to month i.e. the charges due in April 2020 shall be paid in month of August 2020) Or alternatively, through six monthly equated instalments at interest rate equal to RBI's 91-days Treasury Bill



(Primary) yield rate (as on the due date of initially deferred amount) after expiry of interest free period.

- (ii) *Lease rentals, licence fees related charges:* Ports shall allow waiver of lease rentals, licence fees and similar charges for three months (April, May and June'2020) to the extent the volume of cargo dropped compared to monthly average cargo volume of last calendar year i.e. 1st Jan 2019 to 31st Dec 2019. For example, the 'average monthly volume' is 10,000 TEUs based on the cargo handled by concessionaire from 1st Jan 2019 to 31st Dec 2019. If the cargo volume for the month of April'20 is 6000 TEUs (i.e. drop of 40% by volume compared to last year's average monthly volume), the ports shall waive off 40% of lease rentals, licence fees and similar charges for the month of April 2020. If such waived amount has already been received by port, adjustment of the same shall be provided in the forthcoming from concessionaire.
- (iii) *Minimum Guaranteed Throughput (MGT) obligations:* The MGT obligations (wherever existent in concessionaire agreements) shall be computed, for the respective year, without considering the Lockdown Period and cargo volume handled during said period.
- (iv) *Performance standard related obligations:* Ports shall not levy any penalty or charges for any shortfall in any performance standards such as gross berth output, transit storage dwell time, turnaround time for delivery store receipt operations, non-transshipment requirements etc. for the Lockdown Period plus 30 days recovery period.
- (v) *Additional Land for storage:* If requisite additional area is available within port, the port shall provide additional storage area to PPP concessionaires, on temporary basis, without any charges, rentals, fee etc for upto 30th June 2020 on 'as is where is' basis.

5. **Vessel related charges from Shipping Lines:**

Marine Due/Vessel related charges: Ports shall allow interest free 60 days deferment of marine dues/ vessel related charges to Indian coastal vessels, if requested by vessel operators. Ports shall obtain requisite Bank Guarantee, as security, from coastal vessel operators for the same. Only deferment requests received by 30th May 2020 shall be considered.



6. **Force Majeure:**

The Ministry of Finance vide OM No.18/4/2020-PPD dated 19th February, 2020 *inter alia* citing "*A Force majeure (FM) means extraordinary events or circumstances beyond human control such as an event described as an Act of God (like natural calamity)*" has clarified that spread of corona virus should be considered as a case of natural calamity and Force Majeure may be invoked.

The Ministry of Shipping, Government of India through Order No PD-13/33/2020-PPP/e-339106 dated 20.03.2020 and letter dated 24th March, 2020 has already intimated the Major Ports that the COVID-19 pandemic shall be considered as a 'natural calamity' that would entitle invocation of 'force majeure' provisions inasmuch as obligations under various contracts (involving the Major Ports) are concerned.

The aforesaid orders do not impact or dilute the fact that each Major Port needs to remain operational during the COVID-19 pandemic and continue cargo operations in all respects.

In view of the situation arising because of the COVID-19 pandemic and after considering the representations received from various stakeholders, Major Ports are directed that –

- (i) The period for completion of any Project under implementation in PPP mode or otherwise, shall be extended by the Ports.
- (ii) For PPP projects under implementation, the Major Ports can permit waiver of all penal consequences on a case-to-case basis along with deferment of performance obligations as per relevant provisions of Concession Agreement.
- (iii) The period of Force Majeure starts from the date of order of Ministry of Finance referred above and will end when the competent authority so orders.

7. The aforementioned point 3(i) and (ii) shall not be applicable to Mumbai Port Trust and Mormugao Port Trust

8. All Major Port Trusts shall issue relevant applicable orders for both remission and Force Majeure in their respective ports and forward the copy of port's order to the Ministry of Shipping within 7 working days from the date of issue of this order.

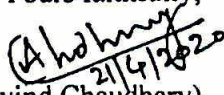


9. The remissions/waivers/deferments stipulated in this order shall be extended to only port related activities, industries and commercial establishments. This order shall not be applicable on any captive user, Central or State govt entities, local bodies, PSUs, CPSEs.

10. Port shall ensure strict implementation of this order by port users including PPP concessioners, CFS, ICD, Shipping lines etc. If required, ports shall invoke relevant provisions of agreements and take appropriate action.

11. This order supersedes the Order No. PD-14300/4/2020-PD VII dated 31st March 2020.

12. This order is issued under Section 111 of Major Port Trusts Act, 1963 with the approval of Hon'ble Minister of State for Shipping (IC) and to be implemented with immediate effect. This order shall also be followed by Kamarajar Port Limited.

Yours faithfully,

(Arvind Chaudhary)
Director

Copy to,

- | | | |
|--------------------------------------|---|--|
| (i) Secretary, Revenue | } | With a request to issue appropriate direction to CFS and ICDs. |
| (ii) Secretary, Ministry of Commerce | | |
| (iii) Chairman, CBIC | | |

Copy also to:

- (i) PS to Hon'ble Minister (IC)
- (ii) PS to Secretary(S)
- (iii) PS to Chairman, IWAI
- (iv) PS to AS(S)
- (v) PS to Sr. Advisor(E)
- (vi) PS to DG(S)
- (vii) PS to JS(P)/JS(S)/JS(SM)/JS(PPP)/JS(A)
- (viii) MD, IPA
- (ix) All Director/DS in Ministry of Shipping



ISO 9001:2015, ISO 14001:
2015 & OHSAS 18001:2007

வ.உ.சிதம்பரனார் துறைமுக பொறுப்புக் கழகம்
व.उ.चिदम्बरनार पत्तन न्यास
V.O.CHIDAMBARANAR PORT TRUST
(MINISTRY OF SHIPPING, GOVERNMENT OF INDIA)
ADMINISTRATIVE OFFICE, HARBOUR ESTATE, TUTICORIN 628 004, TAMIL NADU



SAGARMALA
PORT, LEAD PROSPERITY

TRA-OFTCO-MIS-COVID-A1-20V1(46318)/D.

Date: 24.04.2020

CIRCULAR

Sub: Exemption/Remission of charges due to COVID-19 lockdown– reg.

Ref: (i) MoS Order No PD-14033/4/2020-PD VII dated 21.04.2020

(ii) DGS order No. 11 of 2020 dated 22.04.2020

(iii) MoS Order No PD-14300/4/2020-PD VII dated 31.03.2020

(iv) MHA Order No- 40-3/2020-DM-I (A) dated 24.03.2020 and 15.04.2020

In view of the situation arising out of the lockdown due to COVID-19 pandemic and considering the representations received from various stakeholders, the Ministry of Shipping, vide reference cited (i) above, has directed the Major Ports to consider Exemption/Remission and Force majeure as per the said order.

As per the directions and based on Ministry's Orders cited as ref (i), VOCPT will consider the following relief measures for the Port-Users/ Stakeholders:

A. Remission of charges to Port users:-

- i. Free storage time to all Port-users for the Lock down Period.
- ii. Deferment of annual lease rentals/license fees on pro-rata basis, without any interest, on request by the lessee/licensee for April, May and June, 2020. This shall be applicable only for the annual lease rentals/license fee to be received by the Port for the year 2020.
- iii. No penal charges, demurrages, detention charges, dwell time charges, anchorage charges, penal berth hire charges, performance related penalties etc., on any Port-Users for any delay in Berthing, loading/unloading operations or evacuation / arrival of cargo during the lock down period plus 30 days recovery period.
- iv. if requisite land is available, additional storage land to Port-Users shall be provided on temporary basis, upto 30th June, 2020 on 'as is where is basis', without any charges, rentals, fee, etc.,
- v. Deferment of VRC, free of interest, upto 60 days for Indian Coastal Vessels, on submission of BG as security, if requested by Vessel operator. Deferment request to be received by the Port by 30th May, 2020.

B. Remission of charges to PPP concessionaire:-

- i. Deferment of April, May, and June months' revenue, royalty, and equipment hire charges will be allowed without any interest, if requested by the PPP concessionaire. The said Deferment amount shall be paid by the concessionaire after interest free period of three months or alternatively, through six months equated installments at interest rate equal to RBI's 91 days Treasury Bill yield rate (as on due date of initially deferred amount) after expiry of interest free period.
- ii. Waiver of lease rentals, license fee and similar charges for three months (April, May, and June'2020) to the extent the volume of cargo dropped compared to monthly average cargo volume of last calendar year.
- iii. MGT obligations shall be computed, for the respective year, without considering the cargo volume handled during the lockdown period.
- iv. Penalty or charges for any shortfall in Performance standards will not be levied for the Lockdown Period plus 30 days recovery period.
- v. Additional storage area to PPP concessionaries, on temporary basis, without any charges, rentals, fee, etc, upto 30th June, 2020 on 'as is where is basis', if requisite land area is available.

C.Terms and Conditions:-

- i. The remissions/deferments stipulated in this circular shall be extended to only Port-related activities, Industries and Commercial establishments. This circular is not applicable to any captive user, Central / State Govt entities, Local bodies, PSUs, CPSEs.
- ii. This Circular supersedes the previous Trade Notice issued, vide TRA-OFTCO-MIS-COVID-A1-20V1(46318)/D. 663 dated 01.04.2020.
- iii. The stakeholders shall ensure that the benefits of above Remission / Deferments are passed on to the end-users in the true spirit of the order of the Government.

It is requested to convey the contents of this circular to all your constituent members for information, circulation and needful action.


24/04/2020
TRAFFIC MANAGER

Encls: As stated above

To

1. Tuticorin Ship Agents' Association (TSAA).
2. Tuticorin Customs Brokers' Association (TCBA).
3. Tuticorin Stevedores' Association (TSA).
4. Tuticorin Container Freight Station Association (TCFSA).
5. M/s PSA SICAL Terminals Ltd
6. M/s. Dakshin Bharat Gateway Terminal Pvt Ltd.