

ISO 9001:2015, ISO 14001: 2015 & OHSAS 18001:2007 வ.உ.சிதம்பரனார் துறைமுக பொறுப்புக் கழகம் எ.उ.चिदम्बरनार पत्तन न्यास V.O.CHIDAMBARANAR PORT TRUST (MINISTRY OF SHIPPING, GOVERNMENT OF INDIA) ADMINISTRATIVE OFFICE, HARBOUR ESTATE, TUTICORIN 628 004, TAMIL NADU



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.

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.

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 22ndMarch 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:-

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3. <u>Remission of charges to Port Users</u>

- (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. <u>Remission of charges to PPP concessionaire</u>

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

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(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-transhipment 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.

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6. Force Majeure:

The Ministry of Finance vide OM No.18/4/2020-PPD dated 19thFebruary, 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.

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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 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
- (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

With a request to issue appropriate direction to CFS and ICDs.

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भारत सरकार / GOVERNMENT OF INDIA पोत परिवहन मंत्रालय / MINISTRY OF SHIPPING

नौवहन महानिदेशालय, मुंबई DIRECTORATE GENERAL OF SHIPPING, MUMBAI

F. No. MTO/Review Schedule-II (1)/2019

Dated: 22.04.2020

DGS Order No. 11 of 2020

Sub.: Extension of validity of DGS Order No. 07 of 2020 dated 29.03.2020 and modification of DGS Order No. 08 of 2020 dated 31.03.2020.

Whereas, DGS Order No.07 of 2020 dated 29.03.2020 was issued as an advisory on noncharging of container detention charges on import and export shipments, for the period 22nd March, 2020 to 14th April, 2020 (both days inclusive).

2. Whereas, DGS No. 08 of 2020 dated 31.03.2020 was issued as an advisory on non-charging of any demurrage, ground rent beyond the allowed free period, storage charges in the port, additional anchorage charges, berth hire charges or vessel demurrage or any performance related penalty on non-containerized cargo (i.e. bulk, break bulk and liquid cargo), for the period 22nd March, 2020 to 14th April, 2020 (both days inclusive).

3. Whereas, the Ministry of Home Affairs vide its Order No. 40-3/2020-DM-I(A) dated 14th April, 2020 has ordered that the lockdown measures put in place vide its Order dated 24.03.2020 read with its amendments, will continue to remain in force up-to 03.05.2020.

4. Whereas, the Ministry of Shipping, Govt. of India vide its letter no. PD-14033/4/2020-PD VII dated 21st April, 2020 has superseded its earlier order No. PD-14300/4/2020-PD VII dated 31st March, 2020 and now has issued comprehensive directions to the major ports to remit penal charges, detention charges, dwell time charges, anchorage charges, penal berth hire charges, performance relate penalties, etc. levied on the port users including the shipping lines.

5. Now, therefore to maintain the continuity, the DGS Order No. 07 of 2020 dated 29.03.2020 relating to non-charging of container detention charges on import and export shipments will continue to remain in force from 22nd March, 2020 to 03rd May, 2020 (both days inclusive).

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बीटा बिल्डिंग, 9वीं मंज़िल, आई थिंक टेक्नो कैम्पस,कांजूर गाँव रोड, कांजूरमार्ग (पूर्व) मुंबई-400042 9th Floor, BETA Building, I-Think Techno Campus, Kanjur Village Road, Kanjurmarg (E), Mumbai-400042 फ़ोन/Tel No.: +91-22-2575 2040/1/2/3 फ़ैक्स/Fax.: +91-22-2575 2029/35 ई-मेल/Email: dgship-dgs@nic.in वैबसाइट/Website: www.dgshipping.gov.in 6. Further, the exemptions under DGS Order No.08 of 2020 dated 31.03.2020 were in force from 22nd March, 2020 to 14th April, 2020 (both days inclusive), over and above free time arrangements that is currently agreed and availed as part of any negotiated contractual terms.

7. It is now decided, that for the second lockdown period, the shipping companies or carriers (and their agents by whatever name called) shall not charge, levy or recover any penal charges, demurrage, ground rent, storage charges in the port, detention charges, dwell time charges, additional anchorage charges, penal berth hire charges, vessel demurrage or any performance related penalties on cargo owners/consignees of non-containerized cargo (i.e. bulk, brake bulk & liquid cargo) whether LCL or not for the period from 15th April, 2020 to 03rd May, 2020 (both days inclusive), due to delay in berthing, loading/unloading operations or evacuation/arrival of cargo.

8. The above exemptions/remissions shall be over and above free time arrangement that is currently agreed and availed as part of any negotiated contractual terms. During this period the shipping companies or carriers (and their agents) are also advised not to impose any new or additional charge. This decision is a onetime measure to factor-in the present situation arising out of COVID-19 pandemic.

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(Amitabh Kumar) 2.2/04 Director General of Shipping

To

1. All stakeholders concerned, through DGS Website.

- 2. Shipping Corporation of India, Mumbai.
- 3. Indian Ports Association, New Delhi.
- 4. Indian Private Ports & Terminal Association, Mumbai.
- 5. Container Shipping Lines Association, Mumbai.
- 6. INSA, Mumbai
- 7. ICCSA, Mumbai.
- 8. Inland Importers and Consumer Association, Delhi.
- 9. Timber Importer Association, Maharashtra.

10. Association of Multimodal Transport Operators Association of India, Mumbai.

Copy to:

Secretary to the Government of India, Ministry of Shipping, Transport Bhawan, 1, Parliament Street, New Delhi-110001 (Attn.: Shri Arvind Chaudhary, Director).

No. PD-14300/4/2020-PD VII Government of India Ministry of Shipping

> Transport Bhawan, 1, Parliament Street, New Delhi-110001 Dated 31st March, 2020

To,

Chairperson & CMD All Major Ports

Sub.: Guidelines to Major Ports on

- (i) Exemptions/Remission on penalties etc. and
- (ii) Issues relating to Force Majeure

Part A - Exemptions/Remission of Penalties etc.

Ministry of Home Affairs, Government of India had issued order No 40-3/2020-DM-I (A) dated 24.03.2020 to impose lockdown for a period of 21 days to contain COVID-19 pandemic in the country.

2. Further, Ministry of Home Affairs, Government of India had vide its order No 40-3/2020-DM-I (A) dated 25.03.2020 issued an addendum specifically giving exceptions to the operations of seaports for cargo movement and inter-state movement of goods/cargo for inland and exports to ensure regular supply of goods in the country. Through the above, the Central Government has made it clear that the smooth functioning of the Ports remain vital for the country as Ports are the main source for import and exports of goods.

3. However, given the nation-wide lockdown, there is an inevitable impact in the form of delays in evacuation of cargo and inability to fulfill obligations by various parties/stakeholders due to the affect on the downstream services.

4. In view of the situation arising because of the lockdown and after considering the representations received from various stakeholders, Major Ports are directed that –

 In the light of the MHA order No. 40-3/2020-DM-I (A) dated 25.03.2020 and by invoking power under Section 53 of Major Port Trust Act 1963; each Major Port shall ensure that no penalties, demurrage, charges, fee, rentals are levied by the Major ports on any port user (traders, Shipping lines, concessionaires, licensees etc.) for any delay in berthing, loading/unloading operations or evacuation/arrival of cargo caused by the reasons attributable to lockdown measures from 22nd March to 14th April, 2020.

(ii) Therefore, each Major Port shall exempt or remit demurrage, ground rent over and above the free period, penal anchorage/berth hire charges and any other performance related penalties that may be levied on port related activities including minimum performance guarantee, wherever applicable.

Part B - Issues relating to Force Majeure

5. The Ministry of Finance vide OM No.18/4/2020-PPD dated 19th March, 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.

6. 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 can 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.

7. 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.

8. 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, can be extended by the Ports.
- (ii) For existing and operational PPP projects, 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.

9. The above order issues 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.

D (Arvind Chaudhary) Director

Copy to:

- (i) PS to Hon'ble Minister (IC)
- (ii) PS to Secretary(S)
- (iii) PS to AS(S)
- (iv) PS to JS(P)/JS(S)/JS(SM)/JS(PPP)
- (v) PS to Sr. Advisor(E)
- (vi) All Director/DS in Ministry of Shipping

No. 40-3/2020-DM-I(A) Government of India Ministry of Home Affairs

North Block, New Delhi-110001 Dated 24th March, 2020

ORDER

Whereas, the National Disaster Management Authority (NDMA), is satisfied that the country is threatened with the spread of COVID-19 epidemic, which has already been declared as a pandemic by the World Health Organisation, and has considered it necessary to take effective measures to prevent its spread across the country and that there is a need for consistency in the application and implementation of various measures across the country while ensuring maintenance of essential services and supplies, including health infrastructure;

Whereas in exercise of the powers under section 6(2)(i) of the Disaster Management Act, 2005, the National Disaster Management Authority (NDMA), has issued an Order no. 1-29/2020-PP (Pt.II) dated 24.03.2020 (Copy enclosed) directing the Ministries/ Departments of Government of India, State/Union Territory Governments and State/ Union Territory Authorities to take effective measures so as to prevent the spread of COVID-19 in the country;

Whereas under directions of the aforesaid Order of NDMA, and in exercise of the powers, conferred under Section 10(2)(I) of the Disaster Management Act, the undersigned, in his capacity as Chairperson, National Executive Committee, hereby issues guidelines, as per the Annexure, to Ministries/ Departments of Government of India, State/Union Territory Governments and State/ Union Territory Authorities with the directions for their strict implementation. This Order shall remain in force, in all parts of the country for a period of 21 days with effect from 25.03.2020.

То

- 1. The Secretaries of Ministries/ Departments of Government of India
- 2. The Chief Secretaries/Administrators of States/Union Territories (As per list attached)

Copy to:

- i. All members of the National Executive Committee.
- ii. Member Secretary, National Disaster Management Authority.

No. 40-3/2020-DM-I(A) Government of India Ministry of Home Affairs

North Block, New Delhi-110001 Dated 15th April, 2020

ORDER

Whereas, in exercise of the powers, conferred under Section 10(2)(I) of the Disaster Management Act 2005, the undersigned, in his capacity as Chairperson, National Executive Committee, has issued an Order dated 14th April, 2020 that the lockdown measures stipulated in the Consolidated Guidelines of Ministry of Home Affairs (MHA) for containment of COVID-19 epidemic in the country, will continue to remain in force upto 3rd May, 2020 to contain the spread of COVID-19 in the country;

Whereas, to mitigate hardship to the public, select additional activities will be allowed, which will come into effect from 20th April, 2020. However, these additional activities will be operationalized by States/ Union Territories (UTs)/ District Administrations based on strict compliance to the existing guidelines on lockdown measures. Before operating these relaxations, States/ UTs/ District Administrations shall ensure that all preparatory arrangements with regard to social distancing in offices, workplaces, factories and establishments, as also other sectoral requirements are in place. The consolidated revised guidelines incorporating these relaxations are enclosed;

Whereas, the consolidated revised guidelines will not apply in containment zones, as demarcated by States/ UTs/ District administrations. If any new area is included in the category of a containment zone, the activities allowed in that area till the time of its categorization as a containment zone, will be suspended except for those activities as are specifically permitted under the guidelines of Ministry of Health and Family Welfare (MoHFW), Government of India;

Whereas, in exercise of the powers, conferred under Section 10(2)(I) of the Disaster Management Act, 2005, the undersigned, in his capacity as Chairperson, National Executive Committee, hereby issues directions to all the all Ministries/ Departments of Government of India, State/Union Territory Governments and State/Union Territory Authorities for the strict implementation of enclosed consolidated revised guidelines.

on Home Secretary

To:

- 1. The Secretaries of Ministries/ Departments of Government of India
- 2. The Chief Secretaries/Administrators of States/Union Territories (As per list attached)

Copy to:

i. All members of the National Executive Committee.ii. Member Secretary, National Disaster Management Authority.