



सत्यमेव जयते

भारत सरकार / GOVERNMENT OF INDIA

पोत परिवहन मंत्रालय / MINISTRY OF SHIPPING

नौवहन महानिदेशालय / DIRECTORATE GENERAL OF SHIPPING

“बिटा बिल्डिंग”, 9 वी मंजिल / “BETA BUILDING”, 9th FLOOR

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F. No. SD-9/CHART(82)/97-VI

Dated: 27.02.19

Shipping Development Circular No. 01 of 2019

Sub.: Clarification on charter hire payments to Indian ship-owners/Bidders who have exercised Right of First Refusal [RoFR] in the quoted currency, in cases where contracts have been awarded under International Competitive Bidding (ICB) tenders.

The guidelines for grant of licence to Foreign Flag vessels were issued by the Directorate vide SD Circular No. 02 of 2002 dated November, 08, 2002 [F.No.SD-9/CHART(82)/97-II] under the provisions Sub-Section (3) of Section 406 and sub-section (2) of Section 407 of the Merchant Shipping Act, 1958.

2. Whereas the Para 4.4 of the said Circular deals with the applicability of the Right of First Refusal to be given to Indian flag vessels.
3. Whereas Para 4.5 of the said Circular deals with the composite effective price.
4. Whereas some ambiguity in relation to conversion charges being applied to Indian flag vessels vis-à-vis foreign flag vessels taking part in bidding process of Indian charters/companies, was brought to the notice of the Director General of Shipping, Gol in April 2018 and accordingly a clarification by way of Shipping Development Circular 02 of 2018 dated 18.04.18 was issued. By the said clarification, After Para 4.5 of the Shipping Development Circular 02 of 2002, the following para was added;

“Quote

4.6. All the payments to Indian ships/ship-owners will be made, on the basis of the following exchange rate clause;

Charter hire / freight / demurrage and all reimbursements/amounts, as payable to Indian Owners, will be paid in Indian rupees based on mean of TT buying & selling exchange rate of INR vis-a-vis USD, as declared by SBI (CAG branch), Mumbai, as on due date of payment. If this date is a bank holiday, the previous SBI working day on which such exchange rate is available, will be used for conversion.

Unquote”

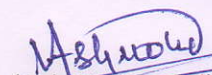
5. Whereas, now again Indian National Ship-owners Association has brought to the notice of Director General of Shipping, Gol, that some charterers are mis-interpreting the above circular to mean that charter hire payments to Indian ship-owners should be made in Indian Rupee only.

6. WHEREAS, a need has been felt to, further clarify and remove the ambiguity brought to the notice of DGS by INSA, as indicated at Para 5 above.

7. Para 4.6 of the Circular mentioned above is intended to convey the provision on exchange rate, in case payment is made in Indian Rupees. It does not convey that payment is to be made only in Indian Rupees.

8. In view of the above, it is clarified that extant RBI & Government guidelines permit the Indian ship-owners/Bidders to quote the charter hire in foreign currency and receive payments of charter hire in the quoted currency in cases where contracts have been awarded under International Competitive Bidding (ICB) tenders and they shall be eligible to be paid in quoted currency, even if they have exercised RoFR.

9. This issues with the approval of the Director General of Shipping, Govt. of India.


(Ash Mohomad)

Deputy Director General of Shipping [SD]

To,

1. All stakeholders/All Charterers/Shippers/All Indian Shipping Companies, through the official website of the DGS, Gol.
2. INSA/ICSSA/FOSMA/MASSA, Mumbai.

Copy forwarded for an information to the;

1. Secretary to the Gol, Ministry of Shipping, Transport Bhawan, New Delhi.
2. DGS/Additional DGS/CS/NA/CSS/POs of all five MMDs, Gol.
3. Hindi version follows.