



सत्यमेव जयते

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पोत परिवहन मंत्रालय / MINISTRY OF SHIPPING  
नौवहन महानिदेशालय / DIRECTORATE GENERAL OF SHIPPING  
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F. No. SD-9/CHART(82)/97-V

Dated: 16.01.18

## **Shipping Development Circular No. 01 of 2018**

**Sub.: Amendments to guidelines for grant of licence to Foreign Flag vessels issued vide SD Circular No. 02 of 2002 dated 08.11.2002 and SD Circular No. 01 of 2017 dated 07.08.17.**

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, a need was felt to, review the aforesaid circular, keeping in view of the Govt's policy of strengthening and promoting the Indian shipping in a competitive framework. The said circular was accordingly modified vide Shipping Development Circular No. 01 of 2017 dated 07.08.17 thereby adding clause (f) to Sub Para 4.4 of Para 4.
3. WHEREAS, it was brought to the notice of this office that there appears to be some ambiguity in the formulation of said clause (f) arisen from the phrase 'opening of tender' and it needs to be 'opening of price bid', so as to be in sync with the overall formulation of the Circular .
4. WHEREAS, the issue was discussed in the meeting held with the stakeholders on 13.12.17 and it was decided that language of clause (f) needs to be modified to bring the clarity.
5. NOW THEREFORE, the Directorate General of Shipping in pursuance of the powers conferred on him in respect of the provisions of Sub-Section (3) of Section 406 and sub-section (2) of Section 407 of the Merchant Shipping, Act, 1958, makes the following amendment to the said SD Circular No. 02 of 2002;
- 5.1. Clause (f) of Sub Para 4.4 of Paragraph 4 of the said circular which was added by Shipping Development Circular No. 01 of 2017 dated 07.08.17, shall be substituted as below;

**(f) "The vessel needs to continue to be Indian flag vessel at all times from the date of opening of price bid till the end of the contract period to avail the benefits of RoFR failing which the contract awarded to it shall be withdrawn".**

6. WHEREAS, another issue brought to the notice of this office is that whether Indian ship may retain its Right of First Refusal [RoFR], after major modification done in its dimensions, after award of contract and its actual deployment, but maintaining its Indian flag status throughout the period.
7. WHEREAS, the said issues was examined and discussed in the above mentioned meeting held with stakeholders.

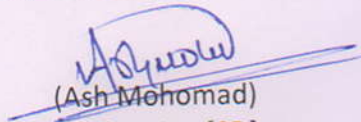
8. NOW THEREFORE, the Directorate General of Shipping in pursuance of the powers conferred on him in respect of the provisions of Sub-Section (3) of Section 406 and sub-section (2) of Section 407 of the Merchant Shipping, Act, 1958, makes the following amendment to the said SD Circular No. 02 of 2002;

8.1. In Sub Para 4.4 of Paragraph 4 of the SD Circular No. 02 of 2002 clause (g) shall be added, as follows;

(g) " Such an offered Indian flag vessel shall continue to enjoy the Right of First Refusal even if such vessel is required to obtain a registration anew as required by Rule 16 or 17, as the case may be, of the Merchant Shipping (Registration of Indian Ships) Rules, 1960, as amended, read with Section 56 and Section 60 of the Merchant Shipping Act, 1958, arising out of any material alteration/major modification that may have been carried out on the vessel, so long as the Indian flag status of the vessel remains unchanged."

9. The above amendment to the SD Circular No. 02 of 2002 shall come into force from the date of issue of this circular.

10. This issue with the approval of the Director General of Shipping & Special Secretary to the Government of India.

  
(Ash Mohomad)

Deputy Director General of Shipping [SD]

To,

1. All stakeholders/All Charteres/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.