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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

No.TRA-OFTCO-MIS-COVID-A1-20V1(46318)/D.663

Date: 01.04.2020

**TRADE NOTICE**

**Sub:** Exemptions/Remission of Penalties due to COVID-19 lockdown– reg.

**Ref:** (i)MoS Order No PD-14300/4/2020-PD VII dated 31.03.2020

(ii) DGS Order No.08 of 2020 dated 31.03.2020

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In view of the situation arising out of the lockdown and considering the representations received from various stakeholders, the Ministry of Shipping, vide reference cited (i) above, has directed the Major Ports to consider Exemptions/Remission and Force Majeure under Part A and Part B of the said order.

Based on the above and in the spirit of Ministry's Orders cited above, the VOCPT will consider Exemption/Remission on demurrage charges, ground rent to be levied on any Port-user (traders, shipping lines, concessionaires, licensees, etc.) for any delay in berthing or loading/unloading operations or evacuation of cargo, including minimum performance guarantee or performance related penalties, wherever applicable, caused by the reasons attributable to lockdown from 22nd March to 14th April, 2020 on a case to case basis on merits.

It is requested to convey the contents of this 'Trade Notice' to all your constituent members, for information and wide circulation.

  
01/04/2020

**TRAFFIC MANAGER**

Encls: As 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. Container Terminal Operators

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

Transport Bhawan,  
1, Parliament Street,  
New Delhi-110001  
Dated 31<sup>st</sup> 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 –

- (i) 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
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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 22<sup>nd</sup> March to 14<sup>th</sup> 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 19<sup>th</sup> 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 24<sup>th</sup> 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.
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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.

(Arvind Chaudhary)  
31/3/20  
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



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 31.03.2020

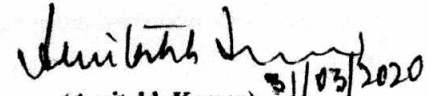
**DGS Order No. 08 of 2020**

**Sub.: Advisory on non-charging of any demurrage, ground rent beyond the allowed free period or any performance related penalty on non-containerized cargo during the period of effect of Covid-19 pandemic.**

1. Whereas, the Ministry of Home Affairs, Government of India has issued order No 40-3/2020-DM-I (A) dated 24.03.2020 to impose a complete lockdown in India for a period of 21 days in view of the threat posed by the spread of COVID-19 pandemic.
2. Whereas, the Ministry of Home Affairs has vide its order No 40-3/2020-DM-I (A) dated 25.03.2020 issued an addendum to the Guidelines annexed to the said order, exempting seaports and its operational organisations from this lockdown to ensure regular supply of goods in the country.
3. Whereas, the Government is working towards smooth functioning of the Ports and its operational organisations, given the nation-wide lockdown some delays in evacuation of goods from the ports have become inevitable due to the affect on the downstream services.
4. Whereas, as a result of these developments some cargo owners have either suspended their operations or are finding it difficult to transport goods/cargo and complete the paper work, resulting in imposition of demurrage, ground rent beyond the allowed free period, penal anchorage/berth hire charges and other performance related penalties, due to reasons beyond their control.
5. Whereas, the Ministry of Shipping, Government of India has directed all the major ports vide F. No. PD -14300/4/2020 – PD VII dated 31.03.2020 to consider exemption or remission of demurrage, ground rent beyond allowed free period, penal anchorage/berth hire charges and any other performance related penalties that may be

levied on port related activities for the reasons attributable to lock down measures i.e. from 22<sup>nd</sup> March to 14<sup>th</sup> April, 2020.

6. Whereas, a DGS Order No. 07 of 2020 dated 29.03.2020 has been issued advising on non-charging of container detention charges on import and exports. Since it has been decided to grant exemption or remission on the charges indicated at para 5 above by the major ports, there is a need to ensure that the benefits extended by the ports are passed on to the end customer, for the period mentioned above, in the EXIM trade in non-containerized cargo also (i.e. bulk, break-bulk and liquids cargo) for smooth functioning of the trade and maintenance of supply chain in the country.
7. Now therefore, in order to maintain proper supply chain at the Indian seaports, shipping companies or Carriers (and their agents by whatever name called) are advised not to charge, levy or recover any demurrage, ground rent beyond allowed free period, storage charges in the port, additional anchorage charge, berth hire charges or vessel demurrage or any performance related penalties on cargo owners/consignees of non-containerized cargo (i.e. bulk, brake bulk and liquids cargo) whether LCL or not, for the period from 22<sup>nd</sup> March, 2020 to 14<sup>th</sup> April, 2020 (both days inclusive), due to delay in evacuation of cargo caused by reasons attributable to lockdown measures since 22<sup>nd</sup> March, 2020. The above exemption/remission 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 (and their agents) are also advised not impose any new or additional charge. This decision is a onetime measure to factor-in the present situation arising out of the COVID-19 pandemic.

  
(Amitabh Kumar) 31/03/2020

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 Freight Station Association of India*
6. Container Shipping Lines Association, Mumbai.
7. INSA, Mumbai
8. ICCSA, Mumbai.
9. Inland Importers and Consumer Association, Delhi.
10. Timber Importer Association, Maharashtra.
11. 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 P. Chhabra, Deputy Chief Controller of Chartering).**