



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”, 9<sup>th</sup> FLOOR

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### Shipping Development Circular No. 03 of 2013

F.NO: SD-13 /POL(5)/09

Dated :21.11.13.

**Sub : Guidelines for grant of license/ permission under section 406 and 407 of the MS Act, 1958- Exercise of right of first refusal(ROFR) – reg. 26 NOV 2013**

The MS Act, 1958, as amended, vide sub-section (3) of section 406 and sub-section (2) of section 407, empowers the Director General of Shipping, Govt. of India, to grant license to foreign flag vessels, subject to such conditions as may be specified by him therein. Detailed guidelines for the grant of such licenses to foreign flag vessels were issued by the DG Shipping, Govt. of India vide SD Circular No. 2 of 2002[F.No.SD-9/CHRT(82)/97-III] dated 8.11.02 and other circulars, as amended from time to time. Among other things, these guidelines stipulate the conditions for exercise of 'Right of first Refusal' for the chartering of vessels done through a tender process for any type of requirement.

2. The Committee of Secretaries, Govt. of India, had considered a proposal of the Ministry of Shipping, Govt. of India, for initiating policy measure for the promotion of Indian shipyards and on an examination thereof agreed that the modality of exercise of 'Right of First Refusal' should be amended under such circumstances, to include the category of 'Indian built' Indian flag vessels, followed by Indian flag vessels, for the purpose of such licenses.

3. By introduction of this new category of Indian built Indian flag vessels, it is hereby decided that a 'Right of First Refusal' will be exercised in super-session of the provisions thereto in this office SD Circular No. 6 of 2010, in the following order; other things remaining the same therein:-

- 3.1. Indian Built Indian Flag Vessels,
- 3.2. Indian flag vessels,
- 3.3. Indian built foreign flag vessels
- 3.4. Indian citizens / companies/ co-operative societies, having bareboat charter & demise. [BBCD] vessels.

4. All shipping companies, exporters, importers and agents may please take note of the foregoing change in the eligibility criteria for exercising the right of refusal and amend their own chartering terms, practices and instructions, accordingly.

5. The above orders will come into force with an immediate effect and this will supercede the earlier circulars issued by this office, in this respect, mutatis-mutandis.

6. This issues with the approval of the DG Shipping and ex-officio Additional Secretary to the Govt. of India.

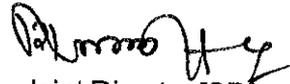
Sd/—  
( G. L. Singh )  
Joint Director [SD]

To;

1. All Indian shipping companies.
2. INSA/FOSMA/MASSA/ICCSA, Mumbai.
3. All Charterers/Shipppers.
4. Federation of Indian Export Organization, PHD House, Opp. Asian Games Village, Hauzkhas, New Delhi-110 018.
5. All MMDs under the DGS, GOI.

Copy forwarded for an information to the :

1. Secretary to the Govt. Of India, Ministry of Shipping [Kind attention:Ms. Getu Joshi, Director (SD)], Transport Bhavan, 1, Parliament Street, New Delhi-110 001 with reference to Ministry of Shipping, Govt. of India's letter No.SY-17017/1/2010/SBR dated 08.03.13.
- 2.Sr. PS to DGS, GOI..
- 3.CS/NA/Jt.DGS/CSS, DGS, GOI.
- 4.Computer Branch, DGS, GOI, for displaying in the DGS, GOI's Official Website.

  
Joint Director [SD]