

Directorate General of Shipping, Mumbai

Shipping Development (SD) Branch

FREQUENTLY ASKED QUESTIONS (FAQs) by Ship charterers and agents related to Chartering Permission under Section 406/407 of Merchant Shipping Act, 1958

Q1. Who requires a license under Section 406 of the MS Act, 1958?

Ans: Any Indian entity, whether a citizen, company, or co-operative society, that charters an Indian-flagged vessel or a foreign-flagged vessel must obtain a license from the Director General of Shipping under Section 406 of the Merchant Shipping Act, 1958. This license is necessary for performing any import, export, coastal, or offshore operations within or outside India.

Q2. Who requires a license under Section 407 of the MS Act, 1958?

Ans: Any non-Indian entity, other than Indian citizens, companies, or co-operative societies, that charters a vessel engaged in the coasting trade of India must obtain a license from the Director General of Shipping under Section 407 of the Merchant Shipping Act, 1958.

Q3. Does a foreign charterer need a license for chartering a vessel engaged in export or import with India?

Ans: No, a foreign charterer does not require a license under the Merchant Shipping Act, 1958, for chartering a vessel for export or import operations with India. However, a license is required if the vessel is engaged in coastal trade with India.

Q4. What is the online procedure to apply for chartering permission for import/export and coastal operations?

Ans: Please refer to [SD Circular 04 of 2015 dated 08.12.2015](#).

The applicant can apply online for Import, Export and Coastal licenses through the DG Shipping website through following procedure:

1. Go to www.dgshipping.gov.in → I.T. AND E-GOVERNANCE → e-governance

2. You will be redirect to a new page.
3. You can register as Charterer by clicking on New User link.
4. After registration or If you have already registered, you can login with your user Id and password generated through the system.
5. After login, Click on the Licensing & Chartering → Submit application → Chartering Foreign flag vessel → click on the type of permission – Import/ Export/ Coastal Trade/ Bare Boat Charter cum Demise/ Contract of Affreightment → Time Charter/ Voyage Charter.
6. Now, you need to fill the following:
 - a) Ship Particulars
 - b) Address of Applicant, Owner and Disponent Owner
 - c) Certificate details as per the checklist provided
7. Pay the applicable fees online through RTGS.
8. After the fees payment, you need to upload all the applicable documents as per the checklist provided at the time of filling application along with Application form, Fees receipt, IMO crew list, INSA NOC or Tender enquiry which ever is applicable and any other document required in a single pdf.
9. In case of Coastal license, you can also pay the fees through Bharatkosh and submit the fees receipt along with all the documents to sd-dgs@nic.in.

General guidelines to keep in mind while filling the Online application:

1. Fill the form carefully, make sure each cell is filled correctly. Don't left the cells such as Quantity of Cargo, Laycan, Port of Loading, Discharge etc.
2. Fill the quantity of cargo with unit (Such as MT, KBBL).
3. Make sure all the filled data should be matched with INSA NOC/ TENDER Document.

Q5. What is the procedure to pay the fees through Bharatkosh?

Ans: Please refer to [DGS letter no. SD-\(Misc\)-6/2009 dated 21.11.2017 reg Payment of fee to DGS through Bharat Kosh](#)

Follow the procedure given below to pay the fees through Bharatkosh:

1. Go to <https://bharatkosh.gov.in/>
2. Then, click on the Non-registered users
3. Under the **Depositor's Category**, select "**Ministry/Department**"
4. Under the **Purpose**, select **OTHER RECEIPTS PAYABLE TO PAO SHIPPING MUMBAI**
5. Under the **Payment Type**, select **PAYMENT TO DG SHIPPING MUMBAI**
6. Under the **Ministry**, select **SHIPPING**.
7. Enter the amount.
8. Under the **Remark**, fill the following:
 - a) Name of Vessel.
 - b) Name of Charterer,
 - c) Online application no. and date
 - d) Laycan
 - e) Fee for ____ ship license, chartering permission or SPL
(mention as appropriate)
9. Proceed further to pay.

Q6. How to calculate the fees applicable for various types of chartering permission to foreign flag vessel?

Ans: Please refer to [SD Circular no. 02 of 2010 dated 04.02.2010](#) and [Amendment to SD Circular No. 02 of 2010](#) reg the fees for various types of chartering permission cum license in respect of Foreign flag vessel. The same is illustrated below:

Type of Chartering Permission	Fees applicable
Import/ Export on single Voyage basis	Rs, 40,000/- for the first 30 days and for every contiguous block of 30 days there off incl. fraction in terms of days. E.g. The fees for Import charter permission on voyage basis for 40 days or 60 days would be the same i.e. Rs 80,000/-
Import/ Export	Rs, 40,000/- for the first 30 days and for every

on time charter basis	<p>contiguous block of 30 days there off with fraction in terms of days being charged at the rate of Rs. 1500/- per day.</p> <p>E.g.: The fees for Import charter permission on time charter basis for 40 days would be Rs 55,000/- [Rs 40,000/- (for 30 days) + Rs 1500 × 10 (days)]</p>
Single Voyage Coastal Permission (SVCP)	<p>Rs 60,000/- for the first 30 days and for every contiguous block of 30 days incl. fraction in terms of days.</p> <p>E.g. The fees for SVCP for 40 days or 60 days would be the same i.e. Rs 1,20,000/-</p>
Coastal on time charter basis	<p>Rs, 60,000/- for the first 30 days and for every contiguous block of 30 days there off. Any fraction of days beyond these blocks is charged at the rate of Rs. 1,500 per day, plus an additional Rs. 20,000 for the fractional period.</p> <p>E.g. The fees for Coastal time charter for 40 days would be Rs 95,000/- (60,000 (for first 30 days) + 20,000 + 1500 × 10)</p>
Worldwide time charter	<p>Rs, 70,000/- for the first 30 days and for every contiguous block of 30 days there off. Any fraction of days beyond these blocks is charged at the rate of Rs. 1,500 per day, plus an additional Rs. 30,000 for the fractional period.</p> <p>E.g. The fees for Coastal time charter for 40 days would be Rs 1,15,000/- (70,000 (for first 30 days) + 30,000 + 1500 × 10)</p>
Offshore Operation	<p>Rs, 40,000/- for the first 30 days and for every contiguous block of 30 days there off with fraction in terms of days being charged at the rate of Rs. 1500/- per day.</p> <p>E.g.: The fees for Import charter permission on time charter basis for 40 days would be Rs 55,000/- [Rs 40,000/- (for 30 days) + Rs 1500 × 10 (days)]</p>

Late fees	Rs 50,000/-
Amendment fees	Rs 10,000/-

Q7. When is late fees applicable?

Ans: Please refer to [Para 2.1 of SD Circular 02 of 2002 dated 08.11.2002.](#)

The late fee of Rs 50,000 is applicable when the applicant fails to submit the application in the appropriate format with the necessary fees at least three working days prior to the commencement of the laycan.

Example: Suppose the laycan is on 16.07.2024 (Tuesday). To avoid late fees, you need to submit the application and fees at least three working days before the laycan. Here's how it works:

- 15.07.2024 – Monday – Working Day
- 14.07.2024 – Sunday – Non-Working Day
- 13.07.2024 – Saturday – Non-Working Day
- 12.07.2024 – Friday – Working Day
- 11.07.2024 – Thursday – Working Day

So, if you submit the fees on or after 11.07.2024, the late fee will be applicable. However, if you submit the fees on or before 10.07.2024, the late fee will not be applicable.

Q8. What are the documents required for obtaining chartering permission for Import, Export or Coastal operation?

Ans: Please refer to [SD Circular 04 of 2015 dated 08.12.2015](#).

Please submit a single PDF containing the following documents as per Checklist, in the specified order, either by uploading it to the E-gov system or by emailing it to sd-dgs@nic.in .

1. Online submitted Application
2. FEES (Online RTGS / Bharatkosh receipt)
3. INSA NOC/ Tender document, whichever is applicable. (Copy of proof of communication sent to INSA wherever Global Tender is followed)
4. Charter Party Agreement or Fixture Note
5. Certificate Of Registry
6. P & I Club Certificate
7. International Ship Security Certificate
8. Safe Manning Document
9. International Tonnage Certificate
10. Classification/Class Certificate
11. International load line Certificate
12. International Oil Pollution Prevention Certificate
13. Cargo Ship Safety Construction Certificate
14. Cargo Ship Safety Equipment Certificate
15. Cargo Ship Safety Radio Certificate
16. International Sewage Pollution Prevention Certificate
17. International Air Pollution Prevention Certificate
18. Safety Management Code Certificate
19. Document of Compliance
20. LRIT Certificate
21. Certificate Of Fitness to Carry Chemicals (NIS Certificate), if applicable
22. Right ship certificate or CAP Rating, if applicable as per the age norms
23. IMO Crew List duly signed by the Master with valid Passport and Seaman ID.
24. Any other documents if applicable.

Q9. What are the norms for engaging Indian crew and trainees cadets on

board for chartering of the foreign flag vessel engaged in shipping and related activities in the Indian Coastal water?

Ans: Please refer to [SD Circular 01 of 2013 dated 18.01.2013](#) and [Amendment to SD Circular 01 of 2013 dated 05.02.2013](#) in this regard.

The chartering permissions for foreign flag vessels engaged in **coastal or offshore operations** are subject to the following requirements for Indian crew and trainee cadets:

No. of days	No. of Indian crew and trainee cadets
For the first 30 days in a calendar year	No Indian crew and trainee cadets is required.
For the period of license exceeding 30 days but upto and including 90 days in a calendar year.	<ul style="list-style-type: none">• A minimum of 1/3rd of the crew (officers & ratings) engaged on board as per the Safe Manning norm or actual deployment, should be Indian.• 15% of the Indian crew so engaged shall be trainee cadets/ Officers distributed equally (to the extent possible) between the navigational and engg. side.
For the period of license exceeding 90 days in a calendar year.	<ul style="list-style-type: none">• A minimum of One Half of the crew (officers & ratings) engaged on board as per the Safe Manning norm or actual deployment, should be Indian.• 15% of the Indian crew so engaged shall be trainee cadets/ Officers distributed equally (to the extent possible) between the navigational and engg. side.

Q10. Which Protection and Indemnity (P&I) certificates are considered valid for obtaining chartering permission?

Ans: Valid P&I certificates for chartering permission can be obtained from the following:

- Principal Clubs and Affiliated Associations which are the part of the International Group of Protection & Indemnity Clubs (IGP&I). The list of IGP&I Club can be accessed through the following link:

<https://www.igpandi.org/group-clubs>

- Non IG Insurance Companies / Protection & Indemnity Clubs approved by DG Shipping under Rule 2(e) of the Merchant Shipping [Regulation of Entry of Ships into Ports, Anchorages and Offshore facilities] Rules 2012. The list of approved Non-IG Insurance companies can be assessed through

<https://www.dgshipping.gov.in/Content/InsuranceBranch.aspx>

Q11. Can a single INSA NOC for a single voyage be used for chartering two vessels?

Ans: No, an INSA NOC for a single voyage can only be used for chartering one vessel and cannot be used for chartering more than one vessel.

Q12. By mistake I have applied for Import voyage charter instead of Export voyage charter. What should I do now?

Ans: Please e-mail to sd-dgs@nic.in providing the application number, vessel name, and details of the discrepancy. The SD Team will respond with the possible solution.

Q13. I submitted an application for chartering permission via the E-gov portal and made an online payment. However, the payment hasn't reflected even after 4 days. What steps should I take next?

Ans: Kindly report this issue to egovernance-dgs@nic.in , sd-dgs@nic.in , ngunnam@arisimulation.com . Our E-gov Team will promptly address and resolve the issue.

Q14. I have been issued a chartering permission/license to charter a foreign flag vessel, but the vessel was delayed and couldn't perform the voyage, so the license couldn't be utilized. What should I do now?

Ans: You should immediately write to sd-dgs@nic.in , requesting the

cancellation of the issued license and providing a clear reason and justification for its non-utilization.

Q15. A foreign flag vessel received a chartering permission/license for coastal operation for 30 days within the calendar year from a previous charterer. However, due to delays, the vessel couldn't perform the voyage, and the license was not utilized. The Charterer also fails to report it to DG Shipping. Now, I want to charter the same vessel for coastal operation, but it does not have the required one-third Indian crew and 15% trainee cadets as per SD Circular 01 of 2013. Will I get the license?

Ans: If the license was not utilized, it must be reported to the Directorate General of Shipping at sd-dgs@nic.in within a few days of the laycan. If the non-utilization was not reported, it will be assumed that the license was used for the specified period. Consequently, the vessel must comply with the Indian crew and trainee cadets requirements exceeding 30 days as outlined in SD Circular 01 of 2013. Therefore, you will need to meet these Indian crew and cadet requirements to obtain a new license.

Age Norms and other Qualitative Parameters w.r.t. vessels

Q16. How is the age of a foreign flag vessel calculated for the application of Qualitative Age Norms provisioned under DGS Order 06 of 2023?

Ans: Please refer to [DGS Order 06 of 2023 dated 24.02.2023](#) along with [Corrigendum 1 to the DGS Order 06 of 2023 dated 01.07.2023](#) and [Corrigendum 2 to the DGS Order 06 of 2023 dated 23.02.2024](#).

The age of the foreign flag vessel is calculated from the Date of Delivery, as mentioned in the Cargo Ship Safety Construction Certificate or any other statutory certificate issued under an IMO Convention/Code, up to the date of commencement of service or carriage of cargo.

Example: If the date of delivery of the vessel is 29/07/2004 and the laycan date is 19/06/2024, the age of the vessel would be 19 years and 11 months.

Q17. What are the types of vessels to which the DGS Order 06 of 2023 on

age norms and other Qualitative Parameters w.r.t. vessels are not applicable?

Ans: Please refer to [Corrigendum 1 to the DGS Order 06 of 2023 dated 01.07.2023](#).

DGS Order 06 of 2023 on age norms and other Qualitative Parameters w.r.t. vessels are not applicable to Passenger Vessels, FSRU, FPSO, Highly Specialized vessels {inter alia, Heavy Lift Installation Barge, crane barge, Pipe laying vessel, cable laying vessel, Research Yessel and Floating Docks) and Drilling/Production units certified under MODU/SPS Code.

Q18. There is a foreign flag Bulk Carrier that is 19 years old. Can I get chartering permission for this vessel?

Ans: Please refer to [Corrigendum 1 to the DGS Order 06 of 2023 dated 01.07.2023](#).

Chartering permission may be granted for foreign flag Bulk Carriers aged between 15 and 20 years, provided the vessel is classed with an IACS member and submits a Rightship Inspection report with a minimum Rightship safety score of 3.

Q19. There is a 17 year old foreign flag Oil Tanker. Can I get chartering permission for this vesse?

Ans: Please refer to [Corrigendum 1 to the DGS Order 06 of 2023 dated 01.07.2023](#).

Chartering permission may be granted for foreign flag Oil aged between 15 and 20 years, provided the vessel is classed with an IACS member and submit CAP 1 rating Hull and CAP 2 for Machinery & cargo systems.

Amendment to License already granted

Q20. What are the provisions related to the amendment to the license already granted?

Ans: Please refer to [Para 5 of SD Circular 02 of 2002 dated 08.11.2002](#).

Amendment to licence is governed by the following provisions:

- a) Not more than twice will amendments be allowed in respect of the same licence.
- b) If an amendment seeks variations in more than three parameters, it will be treated as a fresh case.
- c) Any variation on laycan exceeding one week on either side will be treated as a fresh case.
- d) A fresh case would mean that the applicant has to follow the procedure from the beginning once again.

Note: The Amendment fees is Rs. 10,000/- as per [SD Circular no. 02 of 2010 dated 04.02.2010](#). The payment should be made through Bharatkosh Portal.

Q21. I have been issued chartering permission to charter a foreign flag vessel, and I want to amend the port of discharge, the quantity of cargo, laycan date, and the period of charter. Will this be allowed?

Ans: Please refer to [Para 5 of SD Circular 02 of 2002 dated 08.11.2002](#).

Since the number of parameters seeking variation exceeds three, amendments cannot be allowed. You will need to apply for chartering permission again as a fresh case, following the procedure from the beginning.

Q22. I've been issued charter permission with the port of discharge listed as Gangavaram. However, I mistakenly filled the INSA NOC with Gangavaram as the port of discharge instead of Gopalpur. How can I correct this?

Ans: Since the INSA NOC does not show Gopalpur as the port of discharge, please email sd-dgs@nic.in to request an amendment to change it to Gopalpur for the chartering permission. The SD team will coordinate with INSA to address any objections regarding the amendment. If INSA raises no objections, the SD team will notify you accordingly and provide instructions on the applicable fees for making the amendment.

Q23. I have been issued chartering permission for a foreign flag vessel. However, the vessel got delayed and couldn't meet the laycan. Consequently, we have substituted it with another foreign flag vessel. Can an amendment be issued for this substitution?

Ans: Please refer to [Para 5 of SD Circular 02 of 2002 dated 08.11.2002](#).

You can apply for an amendment to the existing chartering permission to substitute the vessel if the number of parameters to be changed in the existing license is not more than three.

If more than three parameters need to be changed, you will need to apply for a fresh license by following the procedure from the beginning.

Contract of Affreightment (COA)

Q24. What is the maximum period of license in respect of Contract of Affreightment (COA)

Ans: Please refer to [SD Circular 01 of 2004 dated 14.01.2004](#).

The period of licence on COA proposals shall normally be limited to one year. However, in exceptional cases where the charterer can furnish good and sufficient reasons, it may be extended for a further period of 2 years. The maximum permissible period shall be 3 years.

Q25. What shall be the fees in respect of Contract of Affreightment?

Ans: Please refer to [SD Circular 01 of 2004 dated 14.01.2004](#).

The processing fee for "in principle approval" shall be payable for estimate voyages as applicable in case of voyage permission. During the execution of the COA, the charterer shall submit the final proposal to the Directorate as and when the vessel(s) is/are identified supported with

the requisite documents. At this stage the charterer shall pay 50% of voyage permission fee.

E.g., the fees for "in principle approval" for 10 shipments would be Rs 4,00,000/- (Rs 40,000 × 10). When the vessel is finalized during the contract period, the fee for each shipment shall be Rs 20,000/- (50% of Rs 40,000/-).

Indian Controlled Tonnage (ICT)

Q26. Can a ship owned by Indian entities be flagged outside India?

Ans: Section 22 of the MS Act, 1958 mandates the registration of any seagoing ship, wholly owned by an Indian entity under the MS Act.

However, DGS Order 10 of 2014 allows the flagging of ships owned by Indian entities outside India under the Indian Control Tonnage (ICT), subject to the conditions stipulated in [DGS Order 10 of 2014 dated 23.07.2014](#). This should be read in conjunction with [SD Circular 03 of 2015 dated 28.08.2015](#) and [SD Circular 05 of 2016 dated 01.04.2016](#).

Note: The ICT permission is granted for a period of one year.

Q27. What is the fees applicable for license of vessel under Indian Controlled Tonnage?

Ans: Please refer to [SD Circular 03 of 2015 dated 28.08.2015](#) and [SD Circular 05 of 2016 dated 01.04.2016](#).

The vessels under the Indian Controlled Tonnage (ICT) applying for license shall pay Rs. 20,000/- as an initial one-time processing fee and Rs. 15,000/- as license fee per month.

SPL for vessel engaged in Offshore operation

Q28. What are documents required for obtaining SPL for the vessel engaged in Offshore Operation?

Ans: The documents required for obtaining an SPL for a vessel engaged in

offshore operations include INSA NOC, Charter Party Agreement/ Contract / Fixture note, P &I Clubs and all Statutory Certificates according to [Circular No. 02 of 2010](#), dated 08.11.2002.

Q29. What is the processing fee for a Specified Period License (SPL) per ship per month for a foreign-flag vessel operating in offshore operations?

Ans: According to D.G. Shipping, Shipping Development [Circular No. 02 of 2010](#), dated 04.02.2010, the processing fee for a Specified Period License (SPL) per ship per month is Rs. 40,000/- for a foreign-flag vessel operating in offshore operations.

Q30. What documents are required for a High-Speed Craft (HSC) passenger vessel engaged in offshore activities?

Ans: The required documents for a High Speed Craft (HSC) passenger vessel operating in offshore activities includes the following:

- All Statutory Certificates
- An approved copy of Route operational manual, Craft operating manual, Maintenance manual and servicing schedule,
- The permit to operate and compliance with provisions of Section 1.9 of HSC Code.
- Approved Structural Fire protection plan for passenger craft and the evacuation time required as per the HSC Code, certified for night navigation.
- Compliance to all general conditions of [DGS Order 20 of 2022](#).

Q31. Which DGS order applies to Crew boats?

Ans: The Crew boats intended for operation in offshore, is subject to the requirements of [DGS Order 20 of 2022 dated 20.10.2022](#).

DGS Orders and Circulars related to Shipping Development Branch

Sr. No.	Subject	Order/ Circular no. with pdf link
1.	Age Norms and other Qualitative Parameters for Registration/operation of Vessels under Indian flag and, the foreign flag vessels	a) DGS Order 06 of 2023 dated 24.02.2023. b) Corrigendum 1 to the DGS Order 06 of 2023 dated 01.07.2023. c) Corrigendum 2 to the DGS Order 06 of 2023 dated 23.02.2024.
2.	Certification of offshore vessels, accommodation barges etc. while operating in Indian Exclusive Economic Zone	a) DGS Order 20 of 2022 dated 20.10.2022 b) Addendum to DGS Order 20 of 2022 dated 20.01.2023 c) Addendum 2 to DGS Order 20 of 2022 dated 21.06.2023
3.	Guidelines for Exercises of Right of First Refusal (RoFR) for the grant of license to foreign flag vessels	a) DGS Circular 02 of 2021 dated 14.01.2021 b) DGS Circular 05 of 2021 dated 11.02.2021 c) Addendum 1 to the DGS Circular 02 of 2021 dated 05.10.2023
4.	Guidelines and procedure for Grant of Licence to Foreign-Flag Vessels.	a) SD Circular 02 of 2002 dated 08.11.2002 b) SD Circular 04 of 2006 dated 27.12.2006 c) SD Circular 02 of 2007 dated 20.02.2007

		<ul style="list-style-type: none"> d) SD Circular 02 of 2014 dated 10.11.2014 e) SD Circular 04 of 2015 dated 08.12.2015 f) DGS Circular 01 of 2017 dated 07.08.2017 g) SD Circular 01 of 2018 dated 16.01.2018
5.	Guidelines for issuance of licenses to passenger vessels in the Indian Coastal Water	SD Circular 07 of 2016 dated 02.12.2016
6.	Extension of cabotage relaxation under Section 407(3) of MS Act, 1958 to foreign flag passenger/cruise ships to call at more than one Indian Port for a further period of five years beyond 05.02.2024	Ministry of Shipping letter dated 14.11.2019
7.	Cabotage relaxation	<ul style="list-style-type: none"> a) General Order 01 of 2018 dated 21.05.2018 b) General Order 02 of 2018 dated 22.05.2018 c) General Order 03 of 2018 dated 22.06.2018 d) General Order 04 of 2018 dated 10.09.2018 e) MoS Notification dated 21.05.2018 f) MoS Notification dated 22.05.2018
8.	Indian Controlled Tonnage (ICT)	<ul style="list-style-type: none"> a) DGS Order 10 of 2014 dated 23.07.2014 b) SD Circular 03 of 2015 dated 28.08.2015 c) SD Circular 05 of 2016 dated 01.04.2016.
9.	Contract of Affreightment (COA)	a) SD Circular 01 of 2004 dated 14.01.2004.

		<ul style="list-style-type: none"> b) Amendment to SD Circular 01 of 2004 dated 27.07.2010. c) SD Circular 01 of 2015 dated 26.03.2015
10.	Norms for engaging Indian crew and trainees on board the foreign flag vessel engaged in shipping and related activities in Indian Coastal Water.	<ul style="list-style-type: none"> a) SD Circular 01 of 2013 dated 18.01.2013 b) Amendment to SD Circular 01 of 2013 dated 05.02.2013
11.	The fees for various services rendered by Directorate General of Shipping in respect of Technical Clearance, various licences and Charter Permissions in respect of Indian and Foreign flag vessels.	<ul style="list-style-type: none"> a) SD Circular no. 02 of 2010 dated 04.02.2010 b) Amendment to SD Circular No. 02 of 2010