TRADE NOTICE NO: 7/2020 DATED: 27.04.2020

EXEMPTION / REMISSION OF CHARGES AT KPL

Due to COVID-19 pandemic and lockdown measures in India, Ministry of Shipping vide order No. PD-14033/4/2020-PD VII dated 21.04.2020 has directed all the major Ports for Exemption/Remission/Deferments of charges to the Port users, PPP Concessionaires and Shipping Lines. Accordingly, KPL hereby grants the following Remissions/Waivers/Deferments of various charges during the Lockdown period.

"Lockdown period" means as per the Ministry of Home Affairs, Govt. of India order No. 40-3/2020-DM-I(A) dated 24.03.2020 and subsequent order dated 15.04.2020 along with its amendment to impose lockdown from 22.03.2020 to 03.05.2020 (hereafter "Lockdown Period") to contain COVID-19 pandemic in the country.

1. Remission of charges to Port Users:
   (i) **Storage Charges**: Free storage time is allowed to all Port users for the Lockdown Period.
   
   (ii) **Lease rentals, licence fees related charges**: Deferment of April, May and June months, annual lease rentals/licence fees on pro-rata basis, without any interest if requested by lessee/licensee. This shall be applicable only for the annual lease rentals/licence fee to be received by Port for year 2020.
   
   (iii) **Other Charges, penalties etc.**: No penal charges, demurrages, detention charges, dwell time charges, anchorage charges, penal berth hire charges, performance related penalties etc. will be levied on any Port user (traders, importer, exporters, shipping lines, concessionaires, licensees, CFS, etc.) for any delay in berthing, loading/unloading operations or evacuation/arrival of cargo during the Lockdown Period plus 30 days recovery period.
   
   (iv) **Additional land for storage**: Additional storage land to Port users, if requested, will be allotted on temporary basis, without any charges, rentals, fee etc upto 30th June 2020 on 'as is where is' basis as per availability.

2. Remission of charges to PPP concessionaire:
   (i) **Revenue share, royalty and equipment hire related charges**: Deferment of April, May and June months' revenue, royalty and equipment hire charges without any interest, if requested by concessionaire. The said deferred amount shall be paid by concessionaire after interest free period of three months (reckoned month to month e.g. the charges accrued in April 2020 and due on 5th of May 2020 shall be paid in month of 5th August 2020) or alternatively, through six monthly equated instalments at interest rate equal to RBI's 91 days Treasury
Bill (Primary) yield rate (as on the due date of initially deferred amount) after expiry of interest free period.

(ii) **Lease rentals, licence fees related charges**: Waiver of lease rentals, licence fees and similar charges for three months (April, May and June 2020) to the extent the volume of cargo dropped compared to monthly average cargo volume of last calendar year i.e. 1st Jan 2019 to 31st Dec 2019. For example, the ‘average monthly volume’ is 10,000 TEU’s based on the cargo handled by concessionaire from 1st Jan 2019 to 31st Dec 2019. If the cargo volume for the month of April 20 is 6,000 TEU’s (i.e. drop of 40% by volume compared to last year’s average monthly volume), the Port shall waive off 40% of lease rentals / licence fees for the month of April 2020. If such waived amount has already been received by Port, adjustment of the same shall be provided in the forthcoming from concessionaire.

(iii) **Minimum Guaranteed Throughput (MGT) obligations**: The MGT obligations shall be computed, for the respective year, without considering the Lockdown period and cargo volume handled during said period.

(iv) **Performance standard related obligations**: No penalty or charges for any shortfall in any performance standards such as gross berth output, transit storage dwell time, turnaround time for delivery store receipt operations, non-transshipment requirements etc. for the Lockdown period plus 30 days recovery period.

(v) **Additional Land for storage**: Additional storage area to PPP concessionaires, if requested, will be allotted on temporary basis, without any charges, rentals, fee etc for up to 30th June 2020 on ‘as is where is’ basis as per availability.

3. **Vessel related charges from Shipping Lines**:

**Marine Due/Vessel related charges**: Sixty days (60) interest free deferment of marine dues / vessel related charges to Indian coastal vessels, if requested by vessel operators against furnishing of requisite Bank Guarantee, as security for the same. Only deferment requests received by 30th May 2020 shall be considered.

4. The remissions/waivers/deferments stipulated in this Trade Notice are extended to only Port related activities, industries and commercial establishments. This order shall not be applicable on any Captive user, Central or State Govt. entities, Local bodies, PSU’s, CPSE’s.

This Trade Notice supersedes the earlier Trade Notices No. 5/2020 dated 03.04.2020 and 6/2020 dated 18.04.2020.

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