

The Coastal Shipping Act, 2025

(ACT NO. 20 OF 2025)

[*As on the* 24*th April*, 2026]

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LIST OF ABBREVIATIONS USED

G.S.R.	*for*	General Statutory Rules.
S.O	,,	Statutory Order.
Notifn.	,,	Notification.

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THE COASTAL SHIPPING ACT, 2025

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THE COASTAL SHIPPING ACT, 2025

ACT NO. 20 OF 2025

[9*th August*, 2025.]

An Act to consolidate and amend the law relating to regulation of coastal shipping, promote coasting trade and encourage domestic participation therein, to ensure that India is equipped with a coastal fleet, owned and operated by the citizens of India for its national security and commercial needs, and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title, application and commencement.—(*1*) This Act may be called the Coastal Shipping Act, 2025.

(*2*) Save as otherwise provided; the provisions of this Act shall apply to—

(*a*) every vessel, other than an Indian vessel, engaged in coasting trade, irrespective of the place of residence or domicile of the owner;

(*b*) every chartered vessel referred to in Chapter IV; and

(*c*) coastal waters of India.

(*3*) It shall come into force on [1]such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act.

2. Definitions.—(*1*) In this Act, unless the context otherwise requires,—

(*a*) "coasting trade" means carriage of goods or passengers by sea from any port or place in India to any other port or place in India, or performing any service within coastal waters but shall not include fishing of any kind.

Explanation.—For the purposes of this clause, "service" includes exploration, exploitation, research, and any other commercial activity in the coastal waters other than carriage of goods or passengers by sea;

(*b*) "coastal waters" means any part of the territorial waters of India, along with any part of the adjoining maritime zones of India within the meaning of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 (80 of 1976), for undertaking coasting trade:

Provided that the Central Government may, by notification, specify any port or place including inland waters of India, as part of the coastal waters for the purposes of this Act;

(*c*) "committee" means the committee constituted under sub-section (*3*) of section 8 for preparing the National Coastal and Inland Shipping Strategic Plan;

(*d*) "Director-General" means the Director-General appointed under the Merchant Shipping Act, 1958 (44 of 1958);

(*e*) "Indian vessel" means any vessel registered in India under the Merchant Shipping Act, 1958 (44 of 1958);

(*f*) "licence" means the licence issued by the Director-General under section 4 or section 11;

(*g*) "licensee" includes the owner or master or charterer or operator or any person operating the vessel under a licence granted to such vessel by the Director-General;

(*h*) "National Database of Coastal Shipping" means the database maintained by the Director-General under section 9;

1. 15th day of March, 2026, *vide* notifn. No. S.O. 1243 (E), dated 10th day of March, 2026, see Gazette of India, Extraordinary, Part II, sec. 3 (ii).

(*i*) "notification" means a notification published in the Gazette of India or the Official Gazette of a State, as the case may be, and the expression "notify" with its grammatical variation and cognate expressions, shall be construed accordingly;

(*j*) "prescribed" means prescribed by rules made by the Central Government under this Act;

(*k*) "principal officer" means the principal officer of the Mercantile Marine Department referred to in the Merchant Shipping Act, 1958 (44 of 1958);

(*l*) "proper officer" shall have the meaning assigned to it in clause (*34*) of section 2 of the Customs Act, 1962 (52 of 1952);

(m) "Strategic Plan" means the National Coastal and Inland Shipping Strategic Plan published under sub-section (*1*) of section 8;

(*n*) "vessel" includes every description of water craft, used or capable of being used in the marine environment, whether self-propelled or not, such as ship, boat, sailing vessel, fishing vessel, submersible, semi-submersible, hydrofoils, non-displacement crafts, amphibious crafts, wing-in-ground crafts, pleasure crafts, barges, lighters, mobile offshore drilling units and mobile offshore units.

(*2*) Words and expressions used and not defined in this Act but defined in the Merchant Shipping Act, 1958 (44 of 1958), shall have the meanings respectively assigned to them in that Act.

CHAPTER II

PROHIBITION AND LICENCE FOR COASTING TRADE

3. Prohibition on coasting trade.—(*1*) No vessel, other than an Indian vessel, shall engage in coasting trade in the coastal waters, except under a licence granted by the Director-General under section 4:

Provided that the Director-General may, by order in writing, permit a vessel registered under the Inland Vessels Act, 2021 (24 of 2021), to engage in coasting trade to such extent and subject to such conditions, as may be specified in that order.

(*2*) Whoever engages any person to undertake coasting trade shall ensure that such person does not violate the provisions of sub-section (*1*).

4. **Licence for coasting trade.**—(*1*) Every application for the grant of a licence for coasting trade shall be made to the Director-General in such form, manner and on payment of such fee, as may be prescribed.

(*2*) Before issuing a licence under this section, the Director-General shall take into consideration the following factors, namely:—

(*a*) whether the applicant has previously held a licence that was cancelled;

(*b*) whether the applicant has engaged in violation of any of the provisions of this Act prior to or during the period of pendency of his application;

(*c*) citizenship of the crew;

(*d*) build requirements of the vessel;

(*e*) availability of vessels on the route;

(*f*) licences granted to vessels for the same route;

(*g*) safety, national and maritime security concerns;

(*h*) equipment on board the vessel including communication equipment;

(*i*) the Strategic Plan under section 8;

(*j*) cost efficiency of transport;

(*k*) validity of the certificates of vessel and crew;

(*l*) validity of the certificate of insurance of the vessel; and

(*m*) any other requirements as the Director-General may consider necessary in furtherance of the objectives of this Act.

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(*3*) A licence granted under this section shall be in such form, for such period and shall be subject to such conditions, as may be prescribed:

Provided that the Director-General may, for reasons to be recorded in writing, specify such other conditions as may be necessary for grant of the licence.

(*4*) The class or category of licence to be granted under this section shall be such as may be prescribed.

5. **Suspension, revocation or modification of licence**.—(*1*) The Director-General may, if the circumstances of the case so require to meet the objectives of this Act, by order in writing and for reasons to be recorded therein, suspend, revoke or modify a licence granted under section 4, if the licensee, or any person engaged by him—

(*a*) violates any condition of the licence; or

(*b*) fails to comply with any requirement under any law for the time being in force applicable to the vessel; or

(*c*) fails to comply with a direction issued under section 35; or

(*d*) fails to pay any fine or serve any sentence imposed under this Act:

Provided that the suspension, revocation or modification of licence under this clause shall not absolve the licensee from his obligation for payment of any fine or penalty, or undergoing any punishment, imposed on him under this Act.

(*2*) No licence granted under section 4 shall be suspended, revoked or modified under sub-section (*1*), unless the licensee has been given a reasonable opportunity of being heard.

(*3*) A licensee, who intends to modify the particulars of the licence granted to him under section 4, may make an application to the Director-General in that behalf in such form and manner, as may be prescribed.

(*4*) Where the licence granted under section 4 ceases to be valid due to expiry of its period or revocation, the licensee shall—

(*a*) return it or cause it to be returned to the Director-General; and

(*b*) cease to engage in coasting trade,

within such period as may be specified by the Director-General.

6. **Reporting requirements.**—Every vessel, including Indian vessels engaged in coasting trade, shall report to the Director-General the following information in such form and manner as may be prescribed, namely:—

(*a*) the port or ports which it will visit in the course of its voyage;

(*b*) goods or passengers carried by such vessel and the ports or places where such goods or passengers will be dropped off;

(*c*) any offshore area in which it may operate or navigate for the purposes of its voyage; and

(*d*) such other information as the Director-General may deem fit.

7. **Licence to be produced for port clearance.**—(*1*) No proper officer shall grant clearance to a vessel, other than an Indian vessel, engaging in coasting trade to enter or depart from a port, unless the licensee or agent of such vessel produces the licence granted under section 4.

(*2*) Where any vessel fails to comply with the requirements of this Act, the Director-General or the principal officer or an officer designated by the Central Government in this behalf may, after giving an opportunity of being heard to the licensee or agent of such vessel, by order in writing and for reasons to be recorded therein, detain that vessel until an order is issued for the release of such vessel.

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CHAPTER III

NATIONAL COASTAL AND INLAND SHIPPING STRATEGIC PLAN AND NATIONAL DATABASE OF COASTAL SHIPPING

8. **National Coastal and Inland Shipping Strategic Plan.**—(*1*) The Central Government shall, within a period of two years from the date of commencement of this Act, by notification, publish a National Coastal and Inland Shipping Strategic Plan for the purposes of this Act, which shall be updated every two years by a like notification.

(*2*) The Strategic Plan shall include the following, namely:—

(*a*) assessment of the condition of coastal shipping routes in India including routes occupied by inland waterways;

(*b*) identification of the operational improvements required in coastal shipping, including those by way of integration with inland waterway routes, in order to make coastal maritime transport a cost-efficient mode of transportation for goods and passengers;

(*c*) long term forecasts of traffic on coastal shipping and inland waterways network;

(*d*) identification of best practices for improving the performance of coastal shipping including the synergy presented by inland waterway routes and other modes of transportation;

(*e*) identification of new routes for coastal shipping and integration thereof with inland waterways and existing coastal shipping routes;

(*f*) measures for the promotion of building, registration and participation of Indian vessels in coastal shipping in India;

(*g*) recommendations regarding the conditions subject to which vessels registered under the Inland Vessels Act, 2021 (24 of 2021), may engage in coasting trade of India; and

(*h*) such other matters as may be prescribed.

(*3*) The Central Government shall constitute a committee consisting of the following members for preparing the Strategic Plan, namely:—

(*a*) Director-General of Shipping—Chairperson, *ex officio*;

(*b*) Chairman, Inland Waterways Authority of India constituted under section 3 of the Inland Waterways Authority of India Act, 1985 (82 of 1985)—Member, *ex officio*;

(*c*) one representative of each Board of Major Port Authority constituted under sub-section (*1*) of section 3 of the Major Port Authority Act, 2021 (1 of 2021)—Members;

(*d*) one representative of the National Security Council Secretariat—Member;

(*e*) one representative of each State Maritime Board or any other body responsible for the administration of ports other than major ports, in a State or Union territory—Members;

(*f*) two representatives to represent ship owners—Members;

(*g*) two representatives of seafarers—Members; and

(*h*) such other persons having expertise in the field of coastal trade, mercantile and marine trade or maritime sector, as the Central Government may deem necessary—Members.

(*4*) The committee shall meet at such time and place, and shall observe such procedure for the transaction of business at its meetings including the quorum at such meetings, as may be prescribed.

(*5*) The committee shall prepare a draft of the Strategic Plan for consideration and approval of the Central Government and the Central Government shall, after considering the draft Strategic Plan, approve the Plan with or without modifications.

(*6*) The Central Government shall make available the Strategic Plan on its website for public access.

9. **National Database of Coastal Shipping.**—(*1*) The Director-General shall maintain a web portal of a database to be called the National Database of Coastal Shipping in such form and manner as may be prescribed.

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(*2*) The National Database of Coastal Shipping shall contain the following information on coasting trade in India, namely:—

(*a*) applications received for licence under section 4;

(*b*) licences granted under section 4;

(*c*) terms and conditions of the licences so granted;

(*d*) routes, voyages and services in the coasting trade of India;

(*e*) requirement of applicants for grant of licences under section 4;

(*f*) expired and revoked licences under section 5;

(*g*) information reported to the Director-General under section 6;

(*h*) such other information as the Director-General may deem fit.

(*3*) The Director-General shall make available the National Database of Coastal Shipping in electronic form on a web portal for access to the public and it shall be updated every month.

CHAPTER IV

LICENCING OF CHARTERED VESSELS OTHER THAN FOR COASTING TRADE

10. Application of Chapter.—This Chapter shall apply to all sea going vessels chartered by a citizen of India or a non-resident Indian or an overseas citizen of India, or a company or a co-operative society or a limited liability partnership or any other entity as the Central Government may, by notification, specify in this behalf, proceeding to sea from a port or place—

(*a*) in India, to a port or place outside India; or

(*b*) outside India, to a port or place in India or outside India.

11. Requirement of licence by chartered vessels.—(*1*) No vessel, other than an Indian vessel, chartered by a citizen of India or a non-resident Indian or an overseas citizen of India or a company or a co-operative society or a limited liability partnership or any other entity as the Central Government may, by notification specify in this behalf, shall be taken to sea from a port or place within India or outside India, except under a licence granted by the Director-General under this section:

Provided that no vessel which is chartered by an overseas citizen of India shall be required to obtain licence, if such vessel is chartered exclusively for operation outside India.

(*2*) A licence granted under this section may be—

(*a*) a general licence; or

(*b*) a licence for a specified period or voyage.

(*3*) Every application for the grant of a licence under this section shall be made to the Director-General in such form, manner and on payment of such fee, as may be prescribed.

(*4*) A licence granted under this section shall be in such form, for such period and shall be subject to such conditions, as may be prescribed:

Provided that the Director-General may, for reasons to be recorded in writing, specify such other conditions as may be necessary, for grant of the licence under this section.

12. Suspension, revocation or modification of licence granted to chartered vessels.—(*1*) The Director-General may, at any time, if the circumstances of the case so require, by order in writing and for reasons to be recorded therein, suspend, revoke or modify a licence granted under section 11:

Provided that no such licence shall be suspended, revoked or modified, unless the licensee has been given a reasonable opportunity of being heard.

(*2*) A licensee, who intends to modify the particulars of the licence granted to him under section 11, may make an application to the Director-General in that behalf in such form and manner, as may be prescribed.

13. **Licence granted to chartered vessel to be returned when ceases to be valid.**—Where a licence granted under section 11 ceases to be valid due to expiry of its period or revocation, the licensee shall return

it or cause it to be returned to the Director-General, within such period as may be specified by the Director-General.

14. **No port clearance without production of licence.**—No proper officer shall grant port clearance to any vessel requiring a licence under this Chapter, unless the owner, master or agent of the vessel produces a valid licence in respect of such vessel.

CHAPTER V

OFFENCES AND PENALTIES

15. **Punishment for participating in coasting trade in contravention of section 3.**—Whoever engages in coasting trade in contravention of the provisions of section 3, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to fifteen lakh rupees, or four times the value of all fees or commission or payments received by the owner or charterer of the vessel for the voyage, whichever is greater, or with both, and the vessel shall also be liable for detention under section 29.

16. **Punishment for participating in coasting trade after licence ceases to be valid.**—Whoever engages in coasting trade in contravention of the provisions of clause (*b*) of sub-section (*4*) of section 5, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to ten lakh rupees, or two times the value of all fees or commission or payments received by the licensee of the vessel for all voyages conducted in contravention, whichever is greater, or with both, and the vessel shall also be liable for detention under section 29.

17. **Punishment for taking vessel to sea in contravention of section 11.**—Whoever takes a vessel to sea in contravention of the provisions of section 11, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to fifteen lakh rupees, or four times the value of all fees or commission or payments received by the owner or charterer of the vessel for the voyage, whichever is greater, or with both, and the vessel shall also be liable for detention under section 29.

18. **Punishment for failure to furnish information or furnishing false information after notice.**—If any licensee or agent on whom a notice has been served under sub-section (*2*) of section 35—

(*a*) fails to furnish the information required within the time specified; or

(*b*) furnishes any information or makes any statement which the licensee or agent knows to be false on any material particular,

he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to fifty thousand rupees, or with both, and the vessel shall also be liable for detention under section 29.

19. **Punishment for violation of order of detention.**—If any vessel in respect of which a notice or order for detention has been served under this Act, proceeds to sea before it is released, the licensee of the vessel in respect of which the contravention has taken place shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to fifteen lakh rupees, or with both, and the vessel shall also be liable for detention under section 29.

20. **Punishment for illegally detaining person authorised to detain vessel.**—Where any vessel, after detention or order for such detention proceeds to sea with any person authorised to detain any vessel on board before it is released, the licensee or agent of such vessel shall be punishable with imprisonment for a term which may extend to six months or with fine upto one lakh rupees and all expenses of, and incidental to, such person being so taken to sea, or with both, and the vessel shall also be liable for detention under section 29.

21. **Penalty for reporting false or misleading information.**—If any person who is required to report any information to the Director-General under section 6 fails to do so, or otherwise intentionally reports misleading or false information, such person shall be liable for penalty which may extend to one lakh rupees.

22. **Penalty for violation of conditions of licence.**—Whoever fails to comply with the conditions of licence granted under section 4 or section 11, shall be liable for penalty which may extend to ten lakh rupees, or two times the value of all fees or commission or payments received by the licensee of the vessel

for all voyages conducted in contravention, whichever is greater, or with both, and the vessel shall also be liable for detention under section 29.

23. **Penalty for non-compliance of direction of Director-General.**—Any licensee or agent, who fails to comply with any direction of the Director-General under sub-section (*1*) of section 35, shall be liable for penalty which may extend to five lakh rupees, or two times the value of all fees or commission or payments received by such licensee or agent for all voyages conducted in contravention of such direction, whichever is greater, and the vessel shall also be liable for detention under section 29.

24. **Penalty for non-compliance with order of Central Government.**—Any licensee or agent, who fails to comply with an order of the Central Government under this Act, shall be liable for penalty of not less than fifteen lakh rupees, and the vessel may also be liable for detention under section 29.

25. **General provision for contravention or non-compliance.**—Whoever contravenes any provision of this Act, or fails to comply with any provision thereof, or of any rule, direction, order or notification made thereunder, for which no punishment or penalty is specially provided in this Act, shall be liable for penalty which may extend to one lakh rupees, and if the breach is a continuing one, with further penalty which may extend to five thousand rupees for every day after the first day during which the breach continues.

26. **Compounding of certain offences.**—(*1*) Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023 (46 of 2023), any offence punishable under sections 15 to 20 of this Act may, before or after the institution of prosecution, be compounded by an officer designated by the Central Government by notification in this behalf, on payment for credit to the Central Government of such sum and in such manner as may be prescribed:

Provided that such sum shall not, in any case, exceed the maximum amount of the fine which may be imposed under this Act for the offences so compounded:

Provided further that in case of subsequent offence, the same shall not be compounded.

(*2*) The officer referred to in sub-section (*1*) shall exercise the powers to compound an offence, subject to the direction, control and supervision of the Central Government.

(*3*) Every application for the compounding of an offence shall be made in such form and manner as may be prescribed.

(*4*) Where any offence is compounded before the institution of any prosecution, no prosecution shall be instituted against the offender in relation to whom the offence is so compounded.

(*5*) Where the compounding of any offence is made after the institution of any prosecution, such composition shall be brought by the officer referred to in sub-section (*1*), in writing, to the notice of the court in which the prosecution is pending and on such notice for compounding the offence being given, the person against whom the offence is so compounded shall be discharged.

(*6*) Any person who fails to comply with an order of compounding made by the officer referred to in sub-section (*1*), shall be liable to pay a sum equivalent to twenty per cent. of the maximum fine provided for the offence, in addition to fine provided for the said offence.

(*7*) No offence punishable under this Act shall be compounded except in accordance with the provisions of this section.

27. **Special provision regarding punishment.**—Notwithstanding anything contained in section 23 of the Bharatiya Nagarik Suraksha Sanhita, 2023 (46 of 2023), it shall be lawful for a Judicial Magistrate of the first class to pass any sentence provided under this Act on any person convicted of an offence under this Act.

28. **Offences by companies.**—(*1*) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in-charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if such person proves that the offence was committed without his knowledge or that such person exercised all due diligence to prevent the commission of such offence.

(*2*) Notwithstanding anything contained in sub-section (*1*), where an offence under this Act has been committed by a company and it is proved that such offence was committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or partner, or other officer of the company, such director, manager, secretary or partner, or other officer shall be deemed to be guilty of that offence and shall also be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a*) "company" includes a co-operative society, a firm or limited liability partnership firm or other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

29. **Power to enforce detention of vessel.**—Where a vessel is authorised or ordered to be detained under this Act, any commissioned officer of the Indian Navy or Indian Coast Guard, or Police, or any port officer, pilot, harbour master or conservator of port, or the Commissioner of Customs, or any other person authorised under this Act, may detain the vessel under instructions of the principal officer.

30. **Adjudicating officer for imposition of penalty, appeal and procedure therefor.**—(*1*) The principal officer shall be the adjudicating officer for the purposes of imposing penalty under sections 21 to 25.

(*2*) Any person aggrieved by the order of the principal officer imposing the penalty under sub-section (*1*) may, within a period of thirty days from the date of receipt of such order, prefer an appeal before the Director-General in such form and manner as may be prescribed.

(*3*) The Director-General shall dispose of an appeal referred to in sub-section (*2*) within a period of thirty days from the date of receipt of such appeal.

(*4*) No order shall be passed under this section unless the parties have been given a reasonable opportunity of being heard.

(*5*) Any penalty imposed under sections 21 to 25 may be compounded for the first contravention by an officer designated by the Central Government by notification in this behalf.

(*6*) Notwithstanding anything contained in this Act, if a penalty imposed by the principal officer or the Director-General under this Chapter is not deposited, the amount shall be recovered as an arrear of land revenue.

31. **Notice in respect of foreign vessel.**—If any vessel, other than an Indian vessel, is detained under this Act, or if any proceeding is taken under this Act against the licensee or agent of such vessel, notice shall forthwith be served on the consular office of the country in which such vessel is registered, or nearest to the port where the vessel is for the time being, in such form and manner as may be prescribed, and such notice shall specify the grounds on which the vessel has been detained or the proceedings have been taken.

32. **Place of trial and jurisdiction of court.**—Any person who commits an offence under this Act or any rules made thereunder, may be tried for such offence in any place in which such person may be found, or in any court which the Central Government may, by notification, direct in this behalf, or in any court in which such person might be tried under any other law for time being in force in India.

33. **Service of documents.**—Where, for the purposes of this Act, any document is to be served on any person, that document may be served,—

(*a*) in any case by delivering a copy thereof personally to the person to be served, or by leaving the same at his last place of residence, or by post or by such electronic means as the Central Government may, by notification, specify in this behalf;

(*b*) on the master of a vessel where there is master, or on the person being or appearing to be in command or charge of the vessel, by leaving the same for him on board that vessel; and

(*c*) on the owner of the vessel where there is no master and the vessel is in India, or if such owner is not in India, on the agent of the owner residing in India, or, where no such agent is known or is found, by affixing at a suitable place on the bridge of the vessel.

CHAPTER VI

MISCELLANEOUS

34. **Power to delegate.**—(*1*) The Central Government may, by general or special order, direct that any power, authority or jurisdiction exercisable by it under or in relation to any of the provisions of this Act, may be exercisable also by the Director-General or such other officer and subject to such conditions as may be specified in the order.

(*2*) The Director-General may, with the previous approval of the Central Government, by general or special order, direct that any power or authority conferred upon or delegated to, and any duty imposed upon him by or under this Act, may be exercised or discharged also by such officer or authority and subject to such conditions as may be specified in the order.

35. **Power of Director-General to give directions and seek information.**—(*1*) The Director-General may,—

(*a*) in the public interest; or

(*b*) in the interest of Indian shipping; or

(*c*) in the interest of national defence and maritime security; or

(*d*) for ensuring safety of life at sea and the safety of environment,

by order, direct any vessel for which licence has been granted under this Act, in respect of the following, namely:—

(*i*) the ports or places, whether within or outside India, to which, and the routes by which, the vessel shall proceed for any particular purpose;

(*ii*) the diversion of a vessel from one route to another for any particular purpose;

(*iii*) the classes of passengers or cargo which may be carried in the vessel;

(*iv*) the order of priority in which passengers or cargo may be taken on or put off the vessel at any port or place, whether within or outside India;

(*v*) to ban any vessel from entering any port, anchorage or offshore facility in India;

(*vi*) any other matter which the Director-General may deem necessary.

(*2*) The Director-General may, by notice, require the licensee or agent of any vessel in respect of which—

(*a*) licence is granted under this Act; or

(*b*) any direction is given relating to diversion of a vessel from one route to another for any particular purpose,

to furnish such information as may be considered necessary within such period as may be specified in the said notice, which may include—

(*i*) the classes of passengers and cargo which the ship is about to carry, or is capable of carrying, or has carried during any specified period; or

(*ii*) the rates of passenger fares and freight charges applicable to the vessel; or

(*iii*) any other matter as may be prescribed.

36. **Power of Central Government to issue directions.**—(*1*) Notwithstanding anything contained in this Act, every person shall, in the discharge of his functions and duties under this Act, be bound by such directions on questions of policy as the Central Government may give to it in writing from time to time.

(*2*) The decision of the Central Government as to whether a question is one of policy or not, shall be final.

37. **Power to exempt.**—Notwithstanding anything contained in this Act or any law for the time being in force, the Central Government or, as the case may be, the Director-General with the prior permission of the Central Government, if is of opinion that it is necessary or expedient in the public interest so to do, may,

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by order in writing and subject to such conditions and for such period as it may think fit, exempt from the provisions of this Act,—

(*a*) any vessel or class of vessels engaged in coasting trade; or

(*b*) any class of vessels chartered by a citizen of India or non-resident Indian or an overseas citizen of India, or a company or a co-operative society or a limited liability partnership or such entities as may be specified by the Central Government under sub-section (*1*) of section 11.

38. **Protection of action taken in good faith.**—No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

39. **Power of Central Government to make rules.**—(*1*) The Central Government may, subject to the condition of previous publication, make rules for carrying out the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the form and manner of application for grant of licence and the fee to be paid for the same under sub-section (*1*) of section 4;

(*b*) the form, period and the conditions subject to which licence shall be granted under sub-section (*3*) of section 4;

(*c*) the class or category of licence to be granted under sub-section (*4*) of section 4;

(*d*) the form and manner of making application for modification of particulars of a licence under sub-section (*3*) of section 5;

(*e*) the form and manner of reporting the requirements to the Director-General under section 6;

(*f*) such other matters to be included in the Strategic Plan under clause (*h*) of sub-section (*2*) of section 8;

(*g*) the time, place and the procedure to be observed by the committee for the transaction of business at its meetings and the quorum at such meetings under sub-section (*4*) of section 8;

(*h*) the form and manner of maintaining the National Database of Coastal Shipping by the Director-General under sub-section (*1*) of section 9;

(*i*) the form and manner of application for grant of licence and the fee to be paid under sub-section (*3*) of section 11;

(*j*) the form, period and the conditions subject to which licence shall be granted under sub-section (*4*) of section 11;

(*k*) the form and manner of making application for modification of particulars of a licence under sub-section (*2*) of section 12;

(*l*) the sum to be paid for credit to the Central Government for compounding an offence and the manner of making the payment under sub-section (*1*) of section 26;

(*m*) the form and manner of making an application for the compounding of an offence under sub-section (*3*) of section 26;

(*n*) the form and manner of preferring appeal to the Director-General under sub-section (*2*) of section 30;

(*o*) the form and manner of issuance of notice under section 31;

(*p*) any other matters in respect of which the Director-General may, by notice, require the licensee or agent of any vessel to furnish information under sub-section (*2*) of section 35;

(*q*) any other matter which is required to be or may be prescribed for carrying out the provisions of this Act.

40. **Laying of rules and notifications before Parliament.**—Every rule made and every notification issued under this Act shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the

session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made or issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

41. **Power to remove difficulties.**—(*1*) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may be necessary or expedient for removing the difficulty:

Provided that no such order shall be made under this section after the expiry of three years from the date of commencement of this Act.

(*2*) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

42. **Repeal and savings.**—(*1*) Part XIV of the Merchant Shipping Act, 1958 (44 of 1958) (herein referred to as Part XIV of the said Act), except section 411A thereof, is hereby repealed.

(*2*) Notwithstanding such repeal,—

(*a*) any rule, regulation, bye-law, order, notification or exemption made, issued or granted under Part XIV of the said Act shall, until revoked, have effect as if it had been made, issued or granted under the provisions of this Act;

(*b*) any licence granted or issued under Part XIV of the said Act shall, until it is revoked or expires, have effect as if it had been issued or granted under the provisions of this Act;

(*c*) any office established or created, officer or person appointed and any body elected or constituted under Part XIV of the said Act shall continue and shall be deemed to have been established, created, appointed, elected, or constituted, as the case may be, under this Act;

(*d*) any document referring to Part XIV of the said Act shall be construed as referring to this Act;

(*e*) any fine levied under Part XIV of the said Act may be recovered as if it had been levied under this Act;

(*f*) any offence committed under Part XIV of the said Act may be prosecuted and punished as if it had been committed under this Act;

(*g*) any proceeding pending before any court under Part XIV of the said Act may be tried or disposed of under the corresponding provisions of this Act;

(*h*) any inspection, investigation or inquiry ordered to be done under the provisions of Part XIV of the said Act shall continue to be proceeded with as if such inspection, investigation or inquiry is ordered to be done under the corresponding provisions of this Act.

(*3*) Without prejudice to the provisions of sub-section (*2*), the provisions of section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply with regard to the effect of repeal.

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STATEMENT OF OBJECTS AND REASONS

Coastal shipping in India holds great potential owing to vast coastline of around 7500 kilometers and proximity to important global shipping routes. It has been recognised that maritime transportation, particularly coastal shipping is cheaper compared to other modes of transportation. There is a need to improve transport connectivity and supporting infrastructure in the coastal maritime transport sector. The coast of transportation and logistics directly impacts the production cost and there has been a concerted policy effort to improve efficiencies in this regard.

2. The regulation of the coastal maritime sector in India lacks uniformity. Non-mechanised vessels engaged in coastwise trade are governed by the Coasting Vessels Act, 1838 which only provides for registration of such vessels. The measures pertaining to regulation, safety, security and pollution prevention also need to be addressed. The mechanised vessels on the other hand fall under the purview of the Merchant Shipping Act, 1958.

3. The present regulatory framework under Part XIV of the Merchant Shipping Act, 1958, requires Indian ship as well as ships chartered by Indian citizens and foreign vessels to obtain licence before taking ship to sea, including for coasting trade. However, the licencing requirement for all vessels including Indian vessels and exclusion of foreign flag non-propelled vessels from the coasting trade has proven to be a hindrance to competition and efficiency of the sector. It is felt necessary to bring foreign flag non-propelled mobile offshore drilling units, accommodation barges, etc., also within the purview of the regulatory requirements.

4. In view of the challenges arising in the regulation of coasting trade, it is considered necessary to strengthen the regulation of vessels engaged to coasting trade by adopting the best global practices, to meet the present and future requirements of the maritime coastal shipping sector.

5. The Coastal Shipping Bill, 2024, *inter alias*, seeks to provide for the following, namely:—

(*i*) to repeal Part XIV of the Merchant Shipping Act, 1958 relating to control of Indian ships and ships engaged in coasting trade (except section 411A thereof);

(*ii*) to include the term "service" in the definition of "coasting trade" so as to bring offshore vessels which generally provide services without engaging in transportation of goods and passengers, within the ambit of the Bill.

(*iii*) prohibition of coasting trade in the coastal water without licence by vessels other than Indian vessels and permitting Inland vessels to engage in coastal trading subject to certain conditions;

(*iv*) empowering the Director-General to issue licence after taking into consideration certain factors including citizsenship of the crew and building requirements of the vessel so as to create more jobs for Indian seafarers and to promote ship building in India;

(*v*) requirement of licence by vessels chartered by Indian entities for purposes other than coasting trade;

(*vi*) creation of a National Database of Coastal Shipping so as to ensure transparency of procedure and aid in information sharing;

(*vii*) preparation of a National Coastal and Inland Shipping Strategic Plan for development, growth and promotion of coastal shipping;

(*viii*) provision for compounding of certain offences and imposition of penalty by the principal officer; and

(*ix*) provision for empowering the Director-General to call for information in respect of certain matters.

6. The Notes on clauses explain in detail the various provisions contained in the Bill.

7. The Bill seeks to achieve the above objectives.

New Delhi;
The 24*th November*, 2024.

SARBANANDA SONOWAL.

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