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Circular No. 20/2016-cum-IMMM Amendment No. 13/2016-cum-BL Amendment No. 01/92

No: MAT/PMC/13(88)/2016

Dated: 13.04.2016

Sub: Decentralisation of shipping arrangements in respect of ocean transportation of cargoes under the control of Government/Public Sector Undertaking.

Vide OM No. SC-18013/1/2013-ASO-I dated 08.09.2015 (Copy enclosed), of the JS to the Govt. of India (Ministry of shipping), it has been notified that the existing policy for finalizing import contracts by Govt. depts. / PSUs on FOB/FAS basis and effecting shipping arrangements through the Ministry of Shipping and Transport (Chartering wing), has been reviewed by the Government of India.

In accordance with the revised Govt. guidelines all importing Government Departments/PSUs will make their own shipping arrangements without needing to route their requirements through Chartering Wing of Ministry of Shipping, subject to following the conditions as brought out vide aforesaid OM dated 08.09.2015 of the JS to the Govt. of India (Ministry of shipping).

In view of the above, all concerned are advised as under:

- i) POs for import of goods against ICB/LICB tenders may be placed directly on CFR basis.
- ii) In case of import of goods against single tenders from OEM/OES, PAC, nomination basis, freight rates along with complete contact details of the authorised freight forwarder of M/s. SCI for shipment from the respective port of shipment shall be obtained from the authorised persons nominated by M/s. Shipping Corporation of India, indicated at the enclosed **Appendix-3**. In case freight charges quoted by SCI are lower than the quoted freight by the vendor, then order will be placed on FOB basis. Otherwise, order will be placed on CFR basis. However approval on nomination basis shall be required for arranging shipment through SCI.

In accordance with the above, relevant portion of Integrated MM manual and tender/contract conditions for goods against ICB tenders stands modified as per **Appendix-1** and **2** respectively.

Above guidelines should be meticulously followed by all concerned.

C.R. Mohanty
13/4/16

(C.R. Mohanty)

ED-Chief MM Services

Distribution: (Through ONGC's intranet website 'ongcreports.net').

All concerned may download the circular from the site. Hard copies are not distributed separately.

Copy to:

1. EO to CMD, ONGC, Jeevan Bharti Building, New Delhi.
2. CEA to Director (T&FS) / Director (Offshore) / Director (HR) / Director (Exploration)/ Director (Onshore) / Director (Finance), ONGC, Jeevan Bharti Building, New Delhi.
3. CVO, ONGC, Jeevan Bharti Building, New Delhi.

Existing vis-à-vis modified provisions of Integrated MM Manual.

Para No.	Existing Provisions	Modified provisions
20.4.1	<p>“For ICB tenders, MM Department <u>will negotiate the freight through Transchart / SCI before placement of order on FOB/CFR basis and convey ONGCs acceptance for the same. In case cost of transport with Transchart is lower, order will be placed with bidder on FOB basis. Otherwise, order will be placed on CFR basis.</u> In case the order is to be placed on CIF basis due to any reason, insurance cover should be on warehouse to warehouse basis and should be valid up to 90 days from the date of discharge of the cargo at port/airport. For orders not on CIF basis, marine insurance of imported cargo and insurance during the transit upto warehouse of ultimate consignee shall be arranged by concerned T&S office of ONGC.”</p>	<p>“For ICB/ LICB tenders, MM Department will directly place the orders on CFR basis. In case the order is to be placed on CIF basis due to any reason, insurance cover should be on warehouse to warehouse basis and should be valid up to 90 days from the date of discharge of the cargo at port/airport. For orders not on CIF basis, marine insurance of imported cargo and insurance during the transit upto warehouse of ultimate consignee shall be arranged by concerned T&S office of ONGC.”</p> <p>In case of import of goods against single tenders from OEM/OES, PAC, nomination basis, freight rates along with complete contact details of the authorised freight forwarder of M/s. SCI for shipment from the respective port of shipment shall be obtained from the authorised persons nominated by M/s. Shipping Corporation of India, as per Appendix-3 of Circular No. 20 dated 13.04.2016 as amended from time to time. In case freight charges quoted by SCI are lower than the quoted freight by the vendor, then order will be placed on FOB basis. Otherwise, order will be placed on CFR basis. However approval on nomination basis shall be required for arranging shipment through SCI.</p>
20.4.2	<p>When freight is finalised with <u>Transchart/SCI</u>, the amount of freight payable with break up, if any, may be indicated separately in PO along with <u>Transchart</u> Ref. No. for correct and timely payment of freight by T&S. Copy of correspondence made with <u>Transchart / SCI</u> will be sent to T&S along with the PO.</p>	<p>When freight is finalised with SCI, the amount of freight payable with break up, if any, may be indicated separately in PO along with SCI Ref. No. for correct and timely payment of freight by T&S. Copy of correspondence made with SCI will be sent to T&S along with the PO.</p>

Appendix-2

Statement showing existing vis-a-vis modified provisions of standard booklets for procurement of goods against ICB tenders

Sl. No.	Clause No.	Existing Provisions	Modified provisions	Remarks
1	Appendix-3 of BL/01	SPECIMEN SHIPPING CLAUSE FOR GENERAL LINER CARGOES IMPORTS FROM ABROAD TO INDIA	Entire Appendix Deleted.	Not relevant now.
2	30 of Annexure-II	SHIPPING INSTRUCTIONS :	SHIPPING INSTRUCTIONS :	No change indicated to reflect continuity
3	30.1 of Annexure-II	The SUPPLIER shall notify the PURCHASER, indentor and also the port as well as ultimate consignee by cable the Bill of Lading number and date, the name of ship, ship manifest, the date of departure of the ship, the port of loading and destination, brief description of materials, gross/net weight and total number of packages, quantity, value and supply order number and date within 2 days from the departure of the ship from the port of loading. Simultaneously the advance set of non- negotiable shipping documents which should also contain one set of technical catalogue/manual/Booklets etc. of the materials so shipped should also be sent to the port consignee before arrival of the vessels for production to customs authorities.	The SUPPLIER shall notify the PURCHASER, indentor and also the port as well as ultimate consignee by cable the Bill of Lading number and date, the name of ship, ship manifest, the date of departure of the ship, the port of loading and destination, brief description of materials, gross/net weight and total number of packages, quantity, value and supply order number and date within 2 days from the departure of the ship from the port of loading. Simultaneously the advance set of non- negotiable shipping documents which should also contain one set of technical catalogue/manual/Booklets etc. of the materials so shipped should also be sent to the port consignee before arrival of the vessels for production to customs authorities.	No change indicated to reflect continuity
4	30.2	The specimen shipping clauses for general liner cargoes are brought out at Appendix 3 for compliance of the SUPPLIER.	SHIPPING CLAUSE FOR GENERAL LINER CARGOES IMPORTS FROM ABROAD TO INDIA	Provisions incorporated as per Appendix 3 which is proposed

Sl. No.	Clause No.	Existing Provisions	Modified provisions	Remarks
			<p>A. FOB CONTRACTS for imports from Abroad.</p> <p>Shipping arrangements will be made by Shipping Corporation of India _____(complete address) through their Forwarding Agents/Nominees _____ <i>(name and complete address along with contact numbers to be indicated)</i> to whom adequate notice about the readiness of each consignment should be given by the sellers from time to time at least six weeks in advance of the required position, for finalising the shipping arrangements.</p> <p>The Bills of Lading should be drawn so as to show :</p> <p>Shippers : The Government of India Shipping Corporation of India.</p> <p>Consignee : The Government of India, Oil & Natural Gas Corporation Ltd., Mumbai/Calcutta/Chennai (as the case may be)</p> <p>Two non-negotiable copies of the Bills of Lading indicating the freight amount and discount, if any allowed, should be forwarded to the <u>Shipping Corporation of India</u> after the shipment of each consignment is effected.</p>	to be deleted.

Sl. No.	Clause No.	Existing Provisions	Modified provisions	Remarks
			<p>(Thereafter the usual terms relating to load /discharge rate, demurrage /despatch, notice to be given etc. (not covered under clause 30.1 above and other conditions, if any, as may be required and agreed to by other contracting party, should be incorporated in the contract)</p> <p>(B) C.I.F./C&F CFR/TURNKEY SHIPMENTS.</p> <p>Entire Shipping arrangements will be made by Supplier.</p> <p>The Bill of lading should be drawn to indicate the 'Shipper' and 'Consignee' as under :</p> <p>SHIPPER : The C.I.F./C&F CFR/TURNKEY Suppliers concerned.</p> <p>CONSIGNEE : The Government of India, Oil & Natural Gas Corporation Limited, Mumbai/Calcutta/Chennai (as the case may be).</p> <p>(Thereafter the usual terms not covered under clause 30.1 above and other conditions, if</p>	

Sl. No.	Clause No.	Existing Provisions	Modified provisions	Remarks
			<p>any, as may be required and agreed to by other contracting party, should be incorporated in the contract)</p> <p>(C) F.O.R. SHIPMENTS :</p> <p>The Bills of Lading should be drawn to indicate 'Shipper' and 'Consignee' as under :</p> <p>SHIPPER : The F.O.R. suppliers concerned. CONSIGNEE : SUPPLIER's Indian Agents or order.</p> <p>Note :-</p> <p>(i)The Govt of India, Oil & Natural Gas Corporation Limited Mumbai/Calcutta/Chennai (as the case may be) should appear in the body of the Bills of Lading as "Ultimate Consignee" or as the 'Notify party' or in the mark.</p> <p>(ii) The Sellers should avoid the use of over-aged vessels for the shipment of the goods under the contract and if so used the cost of additional insurance, if any, shall be borne by the sellers.</p>	

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