



PMC Cell – MM

# Oil and Natural Gas Corporation Ltd

## Corporate Materials Management

9<sup>th</sup> Floor, South Tower, SCOPE Minar,

Laxmi Nagar, Delhi -110 092

Tel – (011) 22406044 Fax – (011) 22446494

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.

**Appendix-1**

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

<b>Para No.</b>	<b>Existing Provisions</b>	<b>Modified provisions</b>
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&amp;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&amp;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&amp;S. Copy of correspondence made with <u>Transchart / SCI</u> will be sent to T&amp;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&amp;S. Copy of correspondence made with SCI will be sent to T&amp;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	<b>SHIPPING INSTRUCTIONS :</b>	<b>SHIPPING INSTRUCTIONS :</b>	No change indicated to reflect continuity
3	30.1 of Annexure-II	The SUPPLIER shall notify the PURCHASER, indenter 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, indenter 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><b>A. FOB CONTRACTS for imports from Abroad.</b></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><b>The Bills of Lading should be drawn so as to show :</b></p> <p>Shippers : The Government of India Shipping Corporation of India.</p> <p>Consignee : The Government of India, Oil &amp; 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>(B) <del>C.I.F./C&amp;F</del> CFR/TURNKEY SHIPMENTS.</b></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 <del>C.I.F./C&amp;F</del> CFR/TURNKEY Suppliers concerned.</p> <p>CONSIGNEE : The Government of India, Oil &amp; 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><b>(C) F.O.R. SHIPMENTS :</b></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 &amp; 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>	

**Appendix-3**

**CONTACT PERSONS AT SCI**

<b>Dr. S.S. Dhingra, Sr. Vice President (CS&amp;M), email id: <a href="mailto:ss.dhingra@sci.co.in">ss.dhingra@sci.co.in</a> Contact No. 91-22 22772448 / 9987283046</b>			
<b>Service / Sector</b>	<b>Team personnel Names alongwith email id</b>	<b>E-mail ID</b>	<b>Contact No.</b>
EUROPE	Mrs Prachi Juvekar, General Manager	<a href="mailto:ise.comm@sci.co.in/prachi.juvekar@sci.co.in">ise.comm@sci.co.in/prachi.juvekar@sci.co.in</a>	91-2222772457 / 9892331505
	Mr Munish Kohli, Manager	<a href="mailto:ise.comm@sci.co.in/munish.kohli@sci.co.in">ise.comm@sci.co.in/munish.kohli@sci.co.in</a>	91-2222772453 / 9987792923
	Mr. Sagar Kadu, Dy. Manager	<a href="mailto:ise.comm@sci.co.in/sagar.kadu@sci.co.in">ise.comm@sci.co.in/sagar.kadu@sci.co.in</a>	91-2222772473/9987792427
FAR EAST	Mrs Sashikala Charles, Vice President	<a href="mailto:sashikala.charles@sci.co.in/fareast.comm@sci.co.in">sashikala.charles@sci.co.in/fareast.comm@sci.co.in</a>	91-22-22772449/9820449505
	Mr. Vinod K. Padale, Dy. Gen. Manager	<a href="mailto:fareast.comm@sci.co.in/vinod.padale@sci.co.in">fareast.comm@sci.co.in/vinod.padale@sci.co.in</a>	91-22-22772466/9702209933
	Mr. Dhiraj Kumar, Asstt. Manager	<a href="mailto:fareast.comm@sci.co.in/dhiraj.kumar@sci.co.in">fareast.comm@sci.co.in/dhiraj.kumar@sci.co.in</a>	91-22 22772471/9967571920
BREAKBULK	Mr. Udaybhaskar, General Manager	<a href="mailto:breakbulk@sci.co.in">breakbulk@sci.co.in</a>	91-22-22772511/9820856935
	Mrs Manasi Aggarwal, Deputy Manager	<a href="mailto:breakbulk@sci.co.in">breakbulk@sci.co.in</a>	91-22-22772496/9930519331
	Mrs. Ketki Patil, Asstt. Manager	<a href="mailto:breakbulk@sci.co.in">breakbulk@sci.co.in</a>	91-22-22772515
SMILE	Mr. Indrajeet Nagar, General Manager	<a href="mailto:smile.comm@sci.co.in/indrajeet.nagar.co.in">smile.comm@sci.co.in/indrajeet.nagar.co.in</a>	91-22-22772452/9820449505
	Mr. Jawad Sheikh, Dy Manager	<a href="mailto:smile.comm@sci.co.in">smile.comm@sci.co.in</a>	91-22-22772473/9821457239
	Mr. Navneet Pathania, Asst. Manager	<a href="mailto:smile.comm@sci.co.in">smile.comm@sci.co.in</a>	91-22-22772459/9619577972

सभी पत्र सचिव, भारत सरकार, पोत परिवहन  
मंत्रालय, को उनके नाम पर नहीं बल्कि पद के  
पते पर भेजे जाने चाहिए।

तार : "ट्रांसपोर्ट"

All communications should be addressed to the  
Secretary to the Government of India, Ministry of  
Shipping, by title NOT by name.  
Telegram : "TRANSPORT"

भारत सरकार  
Government of India  
पोत परिवहन मंत्रालय  
Ministry of Shipping

परिवहन भवन/Transport Bhawan  
1, संसद मार्ग/1, Parliament Street  
नई दिल्ली-110001/New Delhi-110001

No. SC-18013/1/2013-ASO-I

Dated: 08 September, 2015.

### OFFICE MEMORANDUM

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

The undersigned is directed to say that as per the existing policy of the Government of India, all import contracts are to be finalized on FOB (Free on Board)/FAS (Free Alongside Ship) basis in respect of Government owned/controlled cargoes on behalf of Central Government Departments/State Government Departments and Public Sector Undertakings under them and in case of any departure therefrom, prior permission is required to be obtained from the Chartering Wing of the Ministry of Shipping on a case-to-case basis.

2. Based on the growing demand of various Government Departments/PSUs to allow them to organize their own shipping arrangements so as to take quick decisions in efficiently managing their cargo supply and logistics chain operations, it has now been decided by the Government that :

(a) 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 the following:

(i) the import of bulk cargoes, both dry and liquid, will continue to be made on FOB/FAS basis by importing Government Departments/PSUs and shall remain subject to extant Government policy notified vide this Ministry's OM No. SC-11011/1/1994-ASO-II/Vol.III dated 27<sup>th</sup> February, 1996 (Annexure-I) and OM No. SC-11021/3/1999-ASO-I/Vol. III dated 15<sup>th</sup> November, 2001 (Annexure-II) and that in case of any departure therefrom, prior permission and No Objection Certificate will have to be obtained from the Ministry of Shipping on a case-to-case basis with the approval of the concerned administrative Ministry/Department.

Contd...../





- (ii) the import of general liner cargoes (project cargoes, heavy lift, container, break bulk cargoes etc.) can now be made by Government Departments/PSUs on FOB (Free on Board)/FAS (Free Alongside Ship) or C&F (Cost & Freight)/CIF (Cost, Insurance & Freight) basis which shall otherwise remain subject to extant Government policy notified vide this Ministry's OM No. SC-11011/1/1994-ASO-II/Vol. III dated 27<sup>th</sup> February, 1996 (Annexure-I) and OM No. SC-11021/3/1999-ASO-I Vol. III dated 15<sup>th</sup> November, 2001 (Annexure-II). In case of C&F/CIF import, there is no need of obtaining NOC from the Ministry of Shipping.

3. Until the various Government Departments/PSUs organize their own chartering arrangements, the services of the Chartering Wing of the Ministry of Shipping will remain available during the transition period only until 31.12.2015.

4. It is requested that the above decision taken by the Government of India may kindly be brought to the notice of all the Public Sector Undertakings/projects/autonomous bodies/purchasing and selling organizations under the administrative control of Ministries and Departments concerned. Government Departments/PSUs may utilize the services of the Chartering Wing of the Ministry of Shipping till 31<sup>st</sup> December, 2015, if required.

5. A copy of the instructions issued may please be endorsed to this Ministry.

6. Hindi version is also enclosed.



(Barun Mitra)

Joint Secretary to the Government of India

Tele. No. +91-11-23356712

To,

- (1) All Ministries/Departments of Government of India.
- (2) The Chief Secretary to all the State Governments including the Union Territories.

Copy forwarded for information and necessary action to:

1. The Directorate General of Shipping, 9<sup>th</sup> Floor Beta Building, i-Think Techno Campus, Kanjurmarg (East), Mumbai – 400042.
2. Chairman, Mumbai Port Trust.
3. Chairman, Kolkata port Trust.
4. Chairman, Chennai Port Trust.
5. Chairman, Visakhapatnam Port Trust.
6. Chairman, Cochin Port Trust.
7. Chairman, Kandla Port Trust.
8. Chairman, Mormugao Port Trust.
9. Chairman, Paradip Port Trust.
10. Chairman Tuticorin Port Trust.
11. Chairman, New Mangalore Port Trust.
12. Chairman, Jawaharlal Nehru Port Trust.
13. The Chairman cum Managing Director, Kamarjar Port Ltd., 23, Raja Salai, Chennai-1.
14. The Managing Director, Central inland Water Transport Corporation Ltd., 4, Fairlie Place, Kolkata-700001.
15. The Chairman & Managing Director, Cochin Shipyard Ltd., Cochin.
16. The Chairman, Dredging Corporation of India Ltd. LTC Building, Visakhapatnam-530004.
17. The Directorate General of Lighthouses & Lightships, A-13, Sector-24, Noida-20131 (UP).
18. The Chairman & Managing Director, Inland Water Authority, NOIDA, Ghaziabad, U.P.
19. The Chairman-cum-Managing Director, Shipping Corporation of India, Shipping House, 245, Madame Cama Road, Mumbai.
20. The President INSA, Mumbai.

contd...../

21. The Reserve Bank of India, Foreign Exchange Control Department,  
RBI Building, Fort, Mumbai.
22. Ports Wing (05 copies)
23. Shipping Wing (05 copies)



( Barun Mitra)

Joint Secretary to the Government of India

Tele. No. : +91-11-2335 6712

Copy also forwarded to :

1. Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
2. Principal Director Audit, IP Estate, New Delhi.
3. C&AG, New Delhi

.OP  
TELEGRAM:       TRANSCHART  
TELEX:           VAHAN IN 31-61157/  
                  31-61158/31-61159  
FAX:             3718614  
TELEPHONE:       3710356/3710039/  
                  3718390/3719480

Government of India  
Ministry of Surface Transport  
(Chartering Wing)

No.SC-11011/1/94-ASO.II/Vol.III      New Delhi, the 27th February, 1996

OFFICE MEMORANDUM

Subject:       Ocean transportation of cargo under the control of  
                  Government/Public Sector Undertakings - review of the  
                  ... policy regarding.

...

The undersigned is directed to say that as per the existing policy of Government of India all import contracts are to be finalised on FOB (Free on Board/FAS (Free Alongside Ship) basis and those for exports on C&F (Cost and Freight)/CIF (Cost, Insurance, Freight) basis in respect of Government owned/controlled cargoes on behalf of Central Government Departments/State Government Departments and Public Sector Undertakings under them and in case of any departure therefrom, prior permission is required to be obtained from the Chartering Wing of the Ministry of Surface Transport on a case to case basis. The shipping arrangements are centralised in the Ministry of Surface Transport. These instructions about FOB/FAS purchases and C&F/CIF sales and entering into contracts where the element of foreign exchange expenditure is minimum already stand incorporated in the General Financial Rules of the Government.

2.       Based on the difficulties/problems, as intimated by certain Government Departments/Public Sector Undertakings in the changed context of economic liberalisation, the thrust on performance improvement and competitiveness of Public Sector Undertakings, decanalisation of certain cargoes, Government has undertaken a through review of the above policy at various levels and it has now been decided by the Government that:-

- (i)       Government policy for import contracts to be finalised on FOB/FAS basis and for exports on CIF basis in respect of Government owned/controlled cargoes on behalf of Central Government Departments/State Government Departments and Public Sector Undertakings under them and centralised shipping arrangements through the Ministry of Surface Transport (Chartering Wing) in

association with the concerned user  
Ministry/Department/PSU may continue.

- (ii) Prior permission is required to be obtained from Ministry of Surface Transport on a case-to-case basis in case of any departure from the above policy. However, Ministry of Surface Transport shall ensure disposal of such requests within four working days on receipt of the complete information/request from the concerned Ministry/PSU.
- (iii) Ministry of Surface Transport, Chartering Wing to ensure full utilisation of suitable Indian vessels in case they are able to meet the indenter's requirements at competitive rates and are able to maintain the time schedule.
- (iv) In case of import of bulk quantities like fertilisers, coal, foodgrains etc. where freight element is substantial, a representative from Ministry of Surface Transport may be invited to participate in the discussions for advising on the shipping aspects of import/export contracts.
- (v) Ministry of Surface Transport should make all out efforts to finalise vessels, Indian or foreign, at the most competitive rates and before fixing the vessels, prior approval of the indenting department/PSU should be obtained.
- (vi) In order to make imports and exports cost-effective and for judicious use of foreign exchange, Ministries/Departments should ensure imports on FOB/FAS and exports on CIF basis failing which necessary No Objection Certificate (NOC) should be obtained from Ministry of Surface Transport (Chartering Wing) while applying for release of necessary foreign exchange for the purpose of chartering foreign vessels and for making freight payment in foreign currency.
- (vii) The tendering system to be followed by Ministries/Departments/PSUs will be standardised. The Cabinet secretariat will initiate appropriate action in this regard.

3. It is requested that above decision taken by the Government of India may kindly be brought to the notice of all the Public Sector Undertakings/Projects/Autonomous Bodies/Purchasing & Selling Organisations under the administrative control of Ministries and Departments concerned and they may be advised to follow the prescribed procedure for arranging shipment of their cargoes through Chartering Wing (popularly known by its Cable Address "TRANSCART" in the shipping circle, the world over) of this Ministry and incorporating the prescribed Shipping Clauses in the purchase orders/contracts. They may also be instructed to

send two copies each of the contracts in respect of both exports as well as imports, alongwith cargo particulars like weight, volume, loading port, discharging port, loading rate, discharging rate, period of shipment, parcel size and any other specific condition relating to shipment of cargoes etc. to this Ministry as soon as the same are finalised, for taking further necessary action with regard to the shipping arrangements.

4. A copy of the instructions issued may please also be endorsed of this Ministry.

*T.V. Shanbhag*  
(T.V. SHANBHAG)  
Chief Controller of Chartering

To

- (1) All Ministries/Departments of Government of India .....2 copies
- (2) The Chief Secretary to all the State Governments including the Union Territories.

Copy forwarded for information and necessary action to:-

1. The Directorate General of Shipping, Jahaz Bhavan, Walchand Hirachand Marg, Fort, Bombay-400001.
2. Chairman, Bombay Port Trust
3. Chairman, Calcutta Port Trust
4. Chairman, Madras Port Trust
5. Chairman, Visakhapatnam Port Trust
6. Chairman, Cochin Port Trust
7. Chairman, Kandla Port Trust
8. Chairman, Mormugao Port Trust
9. Chairman, Paradip Port Trust
10. Chairman, Tuticorin Port Trust
11. Chairman, New Mangalore Port Trust
12. Chairman, Jawaharlal Nehru Port Trust
13. The Chairman & Managing Director, Hindustan Shipyard Ltd., Visakhapatnam.

14. The Managing Director, Central Inland Water Transport Corporation Ltd., 4, Fairlie Place, Calcutta-700001.
15. The Chairman & Managing Director, Cochin Shipyard Ltd., Cochin.
16. The Chairman, Dredging Corporation of India Ltd., LIC Building, Visakhapatnam-530004.
17. The Director General of Lighthouses & Lightships, Department of Lighthouses & Lightships, R.K. Puram, New Delhi.
18. The Chairman & Managing Director, Inland Water Authority, NOIDA, Gaziabad, U.P.
19. The Secretary (BRDB), B-Wing, Sena Bhawan, New Delhi.
20. The Chairman-cum-Managing Director, Shipping Corporation of India, Shipping House, 245, Madame Cama Road, Bombay.
21. The President INSA, Bombay
22. The Reserve Bank of India, Foreign Exchange Control Department, RBI Building, Fort, Bombay.
23. Roads Wing (5 copies)
24. Ports Wing (5 copies)
25. Shipping Wing (5 copies)

*T.V. Shanbhag*  
(T.V. SHANBHAG)  
Chief Controller of Chartering

Copy also forwarded to:-

1. Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
2. Principal Director Audit, IP Estate, New Delhi.
3. C&AG, New Delhi.



TELEGRAM: TRANSCHART  
TELEX: VAHN IN 31-61157/  
31-61158/31-61159

FAX NO: 3718614/3352726  
TELEPHONE: 3710356/3710039/  
3718390/3719480

GOVERNMENT OF INDIA  
MINISTRY OF SHIPPING  
CHARTERING WING

No.SC-11021/3/99-ASO-I VOL.III

Dated. the 15<sup>th</sup> November, ,2001

OFFICE MEMORANDUM

**Subject:** Ocean Transportation of cargo under the control of Government/  
Public Sector Undertakings review of --The policy regarding.

.....

The undersigned is directed to say that as per the existing policy of Government of India all import contracts are to be finalised on FOB(free on Board/FAS(Free alongside Ship)basis and those for exports on C&F (Cost and Freight)/CIF(Cost Insurance, freight) basis in respect of Government owned/controlled cargoes on behalf of Central Government Departments/State Government Departments and Public Sector Undertakings under them. In case of any departure therefrom, prior permission is required to be obtained from the Chartering Wing of the Ministry of Shipping. These instructions about FOB/FAS purchases and C&F/CIF sales and entering into contracts where the element of foreign exchange expenditure is minimum already stand incorporated in the General Financial Rules of the Government.

2. Based on the difficulties/problems, intimated by certain Government Departments/Public Sector Undertakings for exporting their cargoes in the changed context of economic liberalization, Government has undertaken a thorough review of the above policy at various levels. It has now been decided by the Government that:-

Contd...

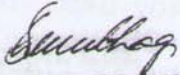


- (i) The present policy for placing import contract on FOB/FAS basis and Centralised shipping arrangements through Ministry of Shipping(Chartering Wing) notified vide this Ministry's O.M. No.SC-11011/1/94-ASO.II/VoL.III dated 27<sup>th</sup> February, 1996 in respect of government owned/controlled cargoes on behalf of Central Government Departments/State Government Departments and Public Sector Undertakings under them will continue.
- (ii) The policy of centralized shipping arrangements through Chartering wing has been relaxed in case of exports. Government Departments/PSUs are free to finalize export contracts on FOB/FAS basis without seeking prior clearance from Ministry of Shipping(Chartering Wing).

3. It is requested that above decision taken by the Government of India may kindly be brought to the notice of all the Public Sector Undertakings/Projects/ Autonomous Bodies/ Purchasing & Selling Organisations under the administrative control of Ministries and Departments concerned and they may be advised to follow the prescribed procedure described above. They may also be instructed to send two copies of Import contracts alongwith cargo particulars like weight, volume, loading port, discharging port, loading rate, discharging rate, period of shipments, parcel size and any other specific condition relating to shipment of cargoes etc. to this Ministry as soon as the same are finalised for taking further necessary action with regard to the shipping arrangements in respect of import cargoes.

4. A copy of the instructions issued may please be endorsed to this Ministry.

5. Hindi version is also enclosed.

  
(T.V.SHANBHAG)  
CHIEF CONTROLLER OF CHARTERING

To

- (1) All Ministries /Departments of Government of India .....2 copies
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5. Chairman, Vishakapatnam Port Trust.
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14. The Managing Director, Central Water Transport Corpn. Ltd. 4, Fairlie Place, Kolkatta-70001.
15. The Chairman & Managing Director Cochin Shipyard Ltd. Cochin.
16. The Chairman, Dredging Corporation of India Ltd., LIC Building Vishakapatnam -530004.
17. The Director General of Lighthouses & Lightships, Department of Light-Houses & Lightships, R.K.Puram, New Delhi.



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18. The Chairman & Managing Director, Inland Water Authority, NOIDA, Ghaziabad, U.P.
19. The Chairman –cum- Managing Director, Shipping Corporation of India Ltd, Shipping House, 245, Madam Cama Road, Mumbai.
20. The President, INSA, Mumbai.
21. The Reserve Bank of India, Foreign Exchange Control Department, RBI Building, Fort, Mumbai.
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(T.V.SHANBHAG)  
CHIEF CONTROLLER OF CHARTERING

Copy also forwarded to:-

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2. Principal Director Audit, IP Estate, New Delhi.
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