

**CHENNAI PETROLEUM CORPORATION LIMITED**  
(A group company of IndianOil)

**GENERAL PURCHASE CONDITIONS (INDIGENOUS)**

1. DEFINITIONS

The following expressions used in these terms and conditions and/or in the Purchase Order shall have the meaning as detailed hereunder against each of them:

Owner : Chennai Petroleum Corporation Limited having its Registered Office at 552 Anna Salai, Teynampet, Chennai-600018 including its successors or assignees.

Order : Supply and delivery of the material in accordance with the requirements defined in Purchase Order (including all attachments and exhibits thereto) together with any subsequent modifications thereof.

Seller/Supplier: A firm or Company to whom the Order is issued and includes its successors or assignees.

Goods/Materials: Any Articles, Machinery, Equipment, Items or supplies/work specified or required to complete the Order.

Project Site : CPCL Site, Manali, Chennai-600068 (Unless otherwise specified).

2. ACCEPTANCE OF ORDER

This Order is expressly conditioned on Seller's acceptance of all the terms and conditions hereof and constitutes the entire agreement between parties hereto. With the acceptance of the order, Seller waives and considers as void all his General Sales Conditions. The Seller shall sign, stamp, and date the copies of the Purchase Order and return the copies to Owner as token of having accepted the Order without reservations within a week of the date of order.

3. MODIFICATIONS & AMENDMENTS

Owner shall have the right to modify or amend this Order subject to an adjustment in the price and/or delivery date in accordance with the applicable provision of the Order, if any, or pursuant to mutual agreement. Modification to this Order shall be binding only with the written acceptance thereof by the Seller and Owner.

The Seller shall carry out such amendments to the Order and shall be bound by the same terms and conditions incorporated in the original Order.

Claims, if any, for adjustment in price/delivery date shall be made within fifteen (15) days from the date when revisions/changes are ordered. Such claims shall not prejudice the Owner's right to claim a refund of any amount advanced or paid to the seller.

4. DELAYS OR NON-DELIVERY

Time is the essence of this Order and the completion dates agreed to are binding on the Seller. Goods shall be delivered in accordance with the Order to such place(s) as is specified therein and at such time(s) as the Owner shall have notified to the Seller. If upon receipt of the Order or at any time thereafter it is found that the Supply of goods or material called for can not be completed within the time specified in the Order, notice thereof must be given immediately by Fax/Telex/Telegram and confirmed by Registered Mail to Owner together with the best completion date that

can be offered. Failure to deliver the goods or materials on or before the date specified in the Order under provisions stated in Article 5 without prejudice to any other rights Owner may have as a result thereof. In such an eventuality, Owner may make other alternate procurement arrangements as may be deemed necessary or desirable in the circumstances and any additional expenditure incurred by the Owner in connection therewith shall be reimbursed by the Seller on demand.

5. TERMINATION

Owner may, at any time, terminate any part of the work or all work remaining to be done in connection with this Order with effect from such dates as Owner may specify upon such terms and conditions as may be agreed to at the time of such termination. Owner shall have the right to buy at his option and at an agreed price from the Seller, the cancelled Goods and components and also to recover all materials supplied by Owner to seller for use on the Order. In the event of a termination of the Order or part thereof, the seller shall forthwith carry out instruction of Owner in connection with such termination including the cancellation of sub-orders the Seller may have placed with others.

Owner and/or his authorised representatives shall have free access to the Seller's works and those of their suppliers to examine the materials and fabrication status reached at time of the Order cancellation and to agree to a reasonable price with the seller.

If cancellation of the Order whether in full or in part is caused by reasons directly attributable to the Seller, Seller shall agree to reimburse Owner, the extra cost incurred by Owner in procuring the cancelled goods from other sources.

6. ASSIGNMENT AND SUBLETTING

Except for raw materials or any part of this Order for which the makers are named in this Order the Seller shall not assign the Order or any part thereof, or any monies due hereunder or sublet this Order or any part hereof without prior written consent of Owner.

All sub orders shall bear Owner's Order Number and shall contain the following words.

"The Goods/materials being supplied against this Order are subject to inspection/expediting by CPCL and/or their assigned representatives."

The Seller agrees to furnish to Owner three unpriced copies of all sub-orders issued for raw materials and components within seven days of placement of such sub-orders.

7. FORCE MAJEURE

Shall mean and be limited to the following:

- a) Any War hostilities.
- b) Any riot or civil commotion.
- c) Any earthquake, flood, tempest, lightning or other natural physical disaster.
- d) Any strike, or lock-out (only those exceeding ten (10) continuous days in duration) affecting the performance of the seller's obligations.
- e) Any restriction imposed by the Government (Central or State) or other Statutory bodies which prevents or delays the execution of the Order by the Seller.

The Seller shall advise Owner by a registered letter duly certified by Local Chamber of Commerce or Statutory authorities the beginning and end of the above causes for delay within seven (7) days of occurrence and cessation of such Force Majeure conditions, in the event of delay lasting over one month, if arising out of causes of

Force Majeure, Owner reserves the right to cancel the Order and provisions governing termination stated under Article 5 shall apply.

For delays arising out of Force Majeure, the Seller shall not claim extension in completion date for a period exceeding the period of delay attributable to the causes of Force Majeure and neither Owner nor Seller shall be liable to pay extra costs provided it is mutually established that Force Majeure condition did actually exist.

Seller shall categorically specify the extent of Force Majeure conditions prevalent in his works (such as power restriction etc.) at the time of submitting the bid and whether the same have been taken into consideration or not in the quotations.

8. INSPECTION AND EXPEDITING

All inspections and tests shall be made as required by the specifications attached to or made part of this Order and or amendments issued by Owner. All goods or materials shall be subject to inspection by Owner or their authorised representatives. Such tests and/or inspections by Owner may be held in conjunction with the representatives of the Seller. Seller shall advise the Owner, in writing, as the circumstances warrant at least fifteen (15) days in advance of the date of the final tests and/or inspection.

Owner's inspector shall be the authorised inspection spokesman and all matters including the owner's requirements shall be handled with the Seller directly. Such inspection, or failure to inspect on the part of Owner shall in no way relieve the Seller of any responsibility or liability with respect to such, materials nor prejudice the right of Owner to reject unsuitable material after arrival at the destination. Unless specifically stated contrary in the Order, all expenses relevant to the preparation and performance of testing, inspection and expediting and the preparation of any test reports or certificates shall be borne by the Seller except for the salaries, fees, travelling, lodging and boarding expenses of Owner's representatives. The Seller shall submit to Owner within four weeks from the date of this Order a bar-chart showing start and finish dates for various activities forming part of the execution of this order and identifying the delivery dates of this activity schedule. Seller shall update this bar-chart every month showing the actual performance of the activities and how the delivery date has been affected thereby. Copies of the updated bar-charts will also be submitted to Owner for review of the progress of the Order.

When deemed advisable by Owner the Order and Seller's sub-order shall be subject to personal expediting by Owner's representatives. Such expediting shall in no way relieve the Seller of the time or delivery obligations under the terms of the Order. At all reasonable times and places, before, during and after manufacture, the seller shall grant and provide access to Owner or their representatives to all parts of the Seller's works and its sub-Supplier's works involved in the manufacture or processing of the goods or materials.

9. GUARANTEE

All goods or materials shall be supplied strictly in accordance with the specifications, drawings, data sheets, other attachments and conditions stated in the order. No deviations from such specifications or alterations of these conditions shall be made without Owner's agreement in writing which must be obtained before any work against the order is commenced. All materials furnished by the Seller pursuant to this Order (irrespective of whether engineering, design data or other information has been furnished, reviewed or approved by Owner) are guaranteed to be of the best quality of their respective kinds (unless otherwise specifically authorised in writing by Owner) and shall free from faulty design (to the extent such design is not furnished

by Owner) workmanship and materials, and to be of sufficient size and capacity and of proper materials so as to fulfil in all respects all operation conditions, if any, specified in this order.

If any troubles or defect originating with the design, material, workmanship or operating characteristics, of any materials arise at any time covering a period of twelve (12) months from the date of the first commercial operation of the Plant for which the materials supplied under this Order form a part or twenty four (24) months from the date of last shipment of goods/materials whichever period shall first expire, and the Seller is notified thereof, Seller shall, at his own expense and as promptly as possible make such alterations, repairs and replacements as may be necessary to permit the materials to function in accordance with specifications and to fulfil the foregoing guarantees.

Owner may, at his option remove such defective material, at Seller's expense in which event Seller shall, without cost to Owner and as promptly as possible furnish and install proper materials. Repaired or replaced materials shall be similarly guaranteed for a period of not less than twenty four (24) months from the date of shipment.

In the event that the materials supplied do not meet the specifications and/or are not in accordance with the drawings, data sheets or the terms of this order, and rectification is required at site, Owner shall notify the Seller giving full details of differences. The Seller shall attend the Site within seven (7) days of receipt of such notice to meet and agree with representative of Owner the action required to correct the deficiency. Should the Seller fail to attend meeting at Site within the time prescribed above, Owner shall immediately rectify the work/materials and Seller shall reimburse Owner all costs and expenses incurred in connection with such trouble or defect.

10. PATENT INDEMNITY

The Seller shall fully indemnify Owner, Vendors and users of the materials furnished hereunder, against any action, claim or demand, costs and expenses, arising from or incurred by reasons of any infringement or alleged infringement of any letters patent, Registered Design, Trade Mark or name, Copy Right or any other protected rights in respect of any material supplied or any arrangements, system of methods of using, fixing or working used by the Seller.

The Prices quoted by the Seller shall included all charges for Royalties payable in respect of the use of any letters patent, registered design, Trade Mark or name, drawing or technical information which may be involved in the performance of this order or in the construction or use of any plant, material or apparatus supplied by the Seller.

In the event of any claim or demand being made or action brought against Owner in respect of any of the aforesaid matters, the Seller shall be notified thereof, immediately and the Seller shall at its own expense with (if necessary) the assistance of Owner (whose all expenses shall be reimbursed by the Seller) conduct all negotiations for the settlement of the same and/or any litigation which may arise there-from.

11. LIABILITY AGREEMENT

Seller shall defend and hold Owner, harmless from all claims and liability for injuries to and/or death of any and all persons, and for loss of and/or damage to property caused in whole or in part by the negligence or willful acts of the Seller, arising under or by reasons of materials furnished hereunder including without limitation, the installation, erection, repair, rectification, adjustment or operation of the materials covered by this order.

In addition, Seller shall, if it elects to utilize materials, tools, equipment or facilities made available to Seller by Owner for use by the Seller and not to be incorporated in the work, as additional consideration there for, defend and hold Owner harmless from all claims and liability for injuries to, and/or death of, any and all persons and/or loss of and/or damage to property resulting from or by reasons of the Seller's utilisation thereof, whether or not caused partially or totally by the negligence of Owner's employees, contractors, sub-contractors, agents or representatives.

In any case where it is necessary for employees or representative of Seller to go upon the premises of Owner, Seller agrees to assume full responsibility for the proper conduct of such employees/representatives while on said premises and to comply with all applicable workmen's Compensation Laws, other applicable Government regulations and ordinances and all Plant Rules and regulations particularly in regard to safety precautions and fire hazards. If this Order required Seller to furnish labour at Site, Seller shall furnish to Owner a Certificate, or other evidence satisfactory to Owner indicating that such labour is adequately covered by Workman's Compensation Insurance and Employer's Liability Insurance with limits acceptable to Owner.

12. FIRM PRICES

Unless otherwise specified in the Order, the Order price shall remain firm and will not be subject to escalation of any description during the pendency of the order, notwithstanding the change in the cost materials, labour and/or variations in taxes, duties and other levies on raw materials and components that may take place while the order is under execution even if the execution of the order is delayed beyond the completion date specified in the order for any reasons whatsoever.

If any details shown on the drawings are omitted from the specifications or vice-versa, the Seller shall, notwithstanding such omissions supply in accordance with such details and shall be deemed to have included the cost for such work in the Price.

13. TAXES, DUTIES, UNEMPLOYMENT BENEFITS ETC

Sales tax and local taxes, such as town duties and octroi applicable at the destination on the finished goods alone will be payable by the Owner at actuals against documentary evidence to be furnished by the Seller. All other taxes, duties, levies and imposts will be to the Seller's account.

Seller shall adjust taxes, duties, cess or levies wherever required if the owner furnishes exemption certificates even retrospectively.

Seller hereby accepts exclusive liability for, and agrees to indemnify Owner against liability for, the payment of any and all contributions or taxes for unemployment, insurance, old age pensions or annuities or other purposes prevalent under the present legislation or hereafter imposed by the Government of India and/or by any unit or sub-division or authority thereof, which are in whole or in part measured by and/or based upon the wages, salaries or other remuneration paid to persons employed by Seller on work in connection with this Order.

14. TERMS OF PAYMENT

Payment against invoice shall normally be made as follows:

90% against despatch documents through bank specified in the Order and balance 10% within 30 days of receipt of materials at Site subject to Seller furnishing a Bank Guarantee. The Bank Guarantee shall be from a Scheduled/Nationalised bank as per the Performa enclosed for an amount of 10% of the order value as security for the due performance of all the Seller's liability in terms of and/or in connection with the Order. This security will be released after the expiry of the period of performance guarantee.

Delay in receiving invoices in the number of copies specified, or errors and omissions or failure or delay in providing the documents and/or certificates required in the order, or failure to comply with the provisions of Owner's invoicing instructions shall be considered just cause for withholding payment without loss of discount privilege, and any demurrage or wharfage resulting thereby shall be negotiated and borne by seller. Seller's invoices and documents shall be strictly in the manner specified in the Order and all banks charges, if any, shall be to the Seller's account.

Any costs, damages or expenses for which the Seller is liable under this Order may be deducted from monies due or becoming due to the Seller or may be recovered by action at law or arbitration pursuant to Article-25.

15. PRICE REDUCTION SCHEDULE(PRS) FOR DELAYED DELIVERY

Unless as otherwise specified delays in completion of the Order shall be subject to PRS as under:

Should the Seller fail to complete the Order on or before the completion date specified in the Order or any extension granted thereof in writing by Owner, Owner shall have the right to recover from the Seller ½% (half percent) of the Order Price of Goods or materials not supplied and/or unfinished, per week of delay or part thereof, subject to a maximum of 5% (five percent) of the total order price. For Packages involving supply and erection, the price reduction per week shall be on the total order value and not on undelivered order value. Payment of PRS shall not relieve the Seller of its delivery obligations under the Order.

16. STATUTORY REQUIREMENT

Seller warrants that all goods and materials covered by this Order have been produced, supplied, sold, despatched, delivered and furnished in strict compliance with all applicable laws, regulations, labour agreements, working conditions and technical codes and requirements as applicable from Time to time. Seller shall execute and deliver such documents as may be required to effect or to evidence such compliance. All laws and regulations required to be incorporated in agreements of this character are hereby deemed to be incorporated by this reference. The Seller shall furnish the Industrial License Number or pertinent details to show whether it has a valid license to manufacture the subject machinery, equipment and materials ordered on it under Industries (Development & Regulations) Act 1951 or whether it is an authorised representative of a licensed manufacturer who has a valid license. Owner disowns any responsibility for any irregularity or contravention of any of the statutory regulations in the manufacture or supply of goods covered by this Order. The Seller shall ensure compliance with the above by all its sub vendors/suppliers and shall indemnify Owner against any actions, damages, costs and expenses of any failure to comply as aforesaid.

1. TRANSIT RISK INSURANCE

Transit Risk Insurance from Despatch point onward shall be covered by the Owner against its open General Policy. The seller shall advise the despatch particulars to owner by Fax/Telex/Telegram as stipulated in relevant Packing & Marking Conditions.

2. PACKING, CRATING AND CARTAGE

The cost of all special packing, boxing, crating or cartage is included in the prices specified in the Order unless otherwise specifically agreed to in this Order.

All packing, boxing, crating and cartage shall conform to the specifications or requirements detailed in respective attachments to the Order. The Seller shall be held liable for damage or breakage to the goods due to defective or insufficient packing for protection.

3. NON-CONFORMANCE

Owner reserves the right to claim damages for use of defective or sub-standard goods supplied by the Seller irrespective of the fact whether goods were inspected by Owner or not.

4. NON-ASSIGNMENT

The Seller shall act as an independent agency and not as an agent or employee of Owner and the Seller shall not assign or sub-contract this Order, or any part thereof, or any money to become due hereunder, without the prior written consent of Owner. Any such permitted assignment or sub-contracting shall not relieve the Seller of any of its obligations against this Order.

5. NON-WAIVER

Failure of Owner to insist upon strict performance of any of the terms and conditions incorporated in this Order, failure to/delayed exercise of any rights detailed herein or failure to properly notify the Seller in the event of breach of any obligations contained herein, shall not constitute a waiver of any obligation contained herein. Any waiver, to be effective, must be in writing.

22. SECURITY AND TECHNICAL INFORMATION

All information, design or drawings provided by Owner shall be the property of Owner and the Seller shall not use them for purposes other than for which they are provided for and Seller shall treat all these documents/information as confidential, and these shall not be reproduced in whole or in part for any other purpose.

The Seller shall treat as confidential all information (whether written or otherwise) supplied by Owner hereunder and shall use its best endeavors to ensure that such information is not divulged to any third party except where necessary for the purpose of performance of this Order by the Seller, of course, with the consent of Owner. In such cases, seller shall ensure that parties in question undertake a similar obligation of confidence. This obligation does not apply to information, which, at the time of disclosure, is in the public domain or is in the Seller's Lawful Possession without restriction on disclosure.

The Seller shall be required to sign a secrecy agreement for certain propriety items of equipment which will be specified by Owner.

23. MATERIALS FURNISHED BY OWNER

If specifically agreed to in the order Owner shall furnish to the Seller such materials/equipment (hereinafter called Owner's materials) as agreed, for

incorporation into the manufacture, fabrication, testing or processing of the goods or materials.

Owner's materials shall be consigned on 'freight paid' basis to the nearest railway point to Seller's works to which Railways will accept the consignment depending upon the nature of the consignment (whether wagon load/small), Seller shall arrange to promptly collect such materials from the railways and transport to its works at Seller's own cost. Any town duty, octroi or local taxes levied by the local bodies at the Seller's end will be to the account of the Seller. Seller shall arrange to properly store and provide adequate security and protection to Owner's materials. Seller shall be solely responsible for the safe keeping of such materials and shall indemnify Owner against any loss or damage to, misuse or misappropriation whatsoever of Owner's material while in the possession of the Seller or its sub-suppliers.

The Seller shall arrange to provide at his own cost and expenses the necessary insurance cover against all risks for Owner's materials.

Seller shall, if required by Owner, furnish a Bank Guarantee equal to the total value of free issue materials and such guarantees shall remain valid till the material accounting towards satisfactory utilization and return of surplus free issue materials are completed.

The Seller shall maintain systematic records of receipt and issue of Owner's materials and shall be accountable at all times to Owner regarding the utilisation thereof.

Seller shall along with his offer submit price for keeping the surplus and scrap materials, separately on per tonne basis. For purpose of this article, scrap and surplus materials have the following definitions:

Scrap : C.S.Plates of maximum width below 225 mm and perimeter below 4000 mm or size below 500 x 500 mm and S.S.Plates of maximum width below 150 mm and perimeter below 2400 mm or size below 300 x 300 mm.

Surplus material : Plates of size higher than size mentioned above.

24. ORDER OF PRECEDENCE

In case of any difference between these conditions of order and special conditions, if any referred to or incorporated in a particular order, the latter shall prevail.

25. ARBITRATION

If at any time any question, dispute or difference whatsoever shall arise between Owner and the Seller upon or in relation to or in connection with the Order either party may forthwith give to the other notice in writing on the existence of such question dispute or difference and the same shall be referred to the adjudication of two arbitrators, one to be nominated by Owner and the other to be nominated by the Seller or in the case of the said arbitrators not agreeing then to the adjudication of an Umpire to be appointed by the Arbitrators in writing before proceeding with the reference. The award of the arbitrators or in the event of their not agreeing that of the Umpire appointed by them, shall be final and binding on the parties and the provisions of the Indian Arbitration and conciliation Act, 1996 and the Rules thereunder and any statutory modifications thereof shall be deemed to apply and be incorporated in the Order. The venue of such arbitration shall be in Chennai.

25.2 Upon every or any such reference, the costs of and incidental to the reference and answer respectively shall be in the discretion of the arbitrators or of the Umpire as the case may be who may determine the amount thereof, or direct the same to be taxed as between solicitor and client, or as between party and party, and shall direct by whom and in what manner the same shall be borne and paid.



Work under the order shall be continued by the Seller during the Arbitration proceedings, unless otherwise directed in writing by Owner or unless the matter is such that the works cannot possibly be continued until the decision of the arbitrators or the Umpire, as the case may be, is obtained and save as those which are otherwise expressly provided in the order, no payment due or payable by Owner shall be withheld on account of such arbitration proceedings unless it is the subject matter thereof.

26. GOVERNING LAW AND JURISDICTION

The respective rights, privileges, duties and obligations of the Owner and seller under this order shall be governed and determined by the laws of State of Tamil Nadu and the Republic of India, in Chennai.

27. TRANSFER OF PROPERTY

In the absence of any provision to the contrary, transfer of property in the goods shall be deemed to have taken place as follows:

(i) F.O.R. DESPATCH POINT AND DESTINATION GOODS

On handing over the goods to the carrier against a receipt and such receipt having been received by Owner.

(ii) GOODS COMMISSIONED BY SELLER

On taking over by Owner for regular operation after test runs at maximum capacity for the specified period are satisfactorily performed.

(iii) GOODS ERECTED BY SELLER

On temporary acceptance by Owner at Job Site.

Transfer of property in the goods shall be without prejudice to any guarantee or liability of the Seller as to the quality, suitability or performance of the Goods.

28. PUBLICITY & ADVERTISING

Seller shall not without the written permission of Owner refer to Owner or any Company affiliated with Owner or to the destination or the description of the goods or services supplied to this order in any publication, Publicity or advertising media.

29. VENDOR DATA REQUIREMENT

The submission by the Seller to Owner of drawings and data documentation is an integral part of the Order. The number of copies (reproducible and prints) and time limits for submitting these documents by the Seller are specified in the order. These requirements must be respected failing which the order will not be deemed to have been duly executed for all purposes.

30. GENERAL

30.1 Except to the extent explicitly state, Seller shall in no event be liable to Owner for consequential or special damages in connection with the material furnished hereunder. Further, in consideration of the issuance of this Order, Seller hereby waives and releases any and all claims against Owner arising out of or in any way connected to with any action or claim made or brought against seller by owner in connection with the materials furnished hereunder.

30.2 Materials delivered in error, or in excess of the quantity called for may, at Owner's option be returned at Seller's expenses.

## PACKING, MARKING SHIPPING AND DOCUMENTATION SPECIFICATIONS

### 1. GENERAL

This specification forms an integral part of the purchase order in additions to specification, drawings and instructions explicitly listed in the Purchase Order. These shall be strictly adhered to. Any loss arising out of non-compliance (unless authorised differently) shall be to Seller's account.

### 2. PACKING

- 2.1 Packing shall withstand hazards normally encountered with the means of transport for the goods of this Purchase Order including loading/unloading operations both by crane and by pushing off. All packaging shall be done in such a manner as to reduce volume as much as possible. All packing materials shall be new and unless otherwise specified, shall be of the packer's standard.
- 2.2 Fragile articles should be adequately packed with special packing materials depending on type of materials.
- 2.3 Chemicals in powder form, catalysts, refractories and like materials etc. shall be packed in drums.
- 2.4 The hazardous materials shall be packed in accordance with the applicable rules, regulations and tariff of all cognizant governmental authorities and other governing bodies. It shall be the responsibility of the seller of hazardous materials to designate the materials as hazardous and to identify each material by its proper commodity name and its hazardous material class code.
- 2.5 Pipes shall be packed as under:
  - a) Below 50 mm dia in wooden cases/crates.
  - b) 50 mm dia and above but below 100 mm dia in bundles.
  - c) 100 mm dia and above-loose.Individual cases/bundles must contain the pipes of same size.
- 2.6 Pipes/tubes made of stainless steel, copper etc. shall be packed in wooden case irrespective of sizes.
- 2.7 All delicate surface on equipment/material should be carefully protected and painted with protective paint/compound and wrapped to prevent rusting and damage.
- 2.8 All mechanical and electrical equipment and other heavy articles should be securely fastened to the bottom of the case and shall be blocked and braced to prevent movement and damage.
- 2.9 All threaded fittings and pipes should be greased and provided with plastic caps.
- 2.10 Attachments and spare parts of equipments and all small pieces shall be packed separately in wooden cases with adequate protection inside the case and wherever possible should be sent along with the main equipment. Each item shall be tagged so as to identify it with the main equipment and part number and reference number shall be indicated.

- 2.11 All protrusions shall be suitably protected and openings shall be blocked by wooden/steel covers as may be required.
- 2.12 Wherever required equipment/materials shall be packed in polythene bags and silica gel or similar dehydrating compound shall be put inside the bags to protect them.
- 2.13 The Seller shall be held liable for all damages or breakages to the goods due to the defective or insufficient packing as well as for corrosion due to insufficient protection.
- 2.14 Detailed packing list in water proof envelope shall be inserted in each package together with equipment/material. One copy of "Detailed packing list" shall be fastened outside of the package in waterproof envelope and covered by metal cover. In case of bigger dia pipes and large equipment, documents contained in the envelope shall be fastened inside with an identifying arrow sign 'documents' applied with indelible paint.
- 2.15 Packaged equipment or materials showing damage, defects or shortages resulting from improper packaging materials or packing procedures or having concealed damages or shortages at the time of unpacking shall be subject to rejection and replacement at no additional cost to the buyer.

3. MARKING

- 3.1 Each package shall be marked on the three sides, with proper paint/indelible waterproof ink as follows:  
VIA-Chennai (INDIA) PURCHASE ORDER NO.....NET  
WT.....KGS.....  
GR.WT.....KGS.....  
DIMENSIONS.....X.....X.....CMS  
PACKAGE NO.(Sl. No. Of total packages) viz. 1/25, 2/24 etc. TAG/ITEM  
NO.....  
COUNTRY OF ORIGIN ..... SELLER NAME .....
- 3.2 A distinctive colour splash in three stripes of green, yellow and red around each package and on corners of pipes and plates shall be given to facilitate identification.
- 3.3 Additional Marking such as "Handle with Care", "This side up", "Fragile" or any other additional indications for protection and safe handling shall be added depending on the type of materials. All cases will bear warning signs on the outside Center of Gravity and Sling Marks.
- 3.4 Letters, Figures, marks etc. used for marking shall be stencil printed. Handwriting should be avoided as far as possible. Size of letters shall be optimum for each package dimensions.
- 3.5 In case of Bundles or other packages wherever marking cannot be stenciled the same shall be embossed on metal or similar tag wired securely at minimum to convenient points.

4.0 SHIPPING

All shipping must be arranged under deck unless carriage on-deck is unavoidable, in first class direct vessels registered in countries who are members of International

Development Association (World Bank). CPCL have engaged M/s. Balmer Lawrie & Co. Ltd (A Govt. of India Undertaking), India as their sea cargo consolidation agent. M/s. Balmer Lawrie have freight forwarders located in various countries in the world. Shipping arrangements on behalf of CPCL will be made by Seller through these freight forwarders. The addresses, contact person, phone no., fax no. details of the concerned freight forwarders will be furnished to the successful bidders in the Purchase Order for finalizing the shipping arrangements.

Adequate notice of not less than 6 weeks about the readiness of the cargo for shipment should be given by the Seller to the authorized freight forwarder.

#### 4.2 DESPATCH BY RAIL : (INDIAN VENDORS)

4.2.1 Unless otherwise specified in the purchase order, vendor SHOULD NOT despatch the materials by Rail.

4.2.2 The Vendor shall be responsible for:

- A) Despatch by the shortest possible route. The Vendor shall as far as possible despatch the materials by the fastest goods train like OTS, Super Express Goods, wherever such facilities exist.
- B) Correct classification of goods and freight charges.
- C) Obtaining clean Railway Receipts without any qualifying remarks.
- D) Should there be any restriction for movement by a particular route, the Railway authorities should be requested to move the goods by the next alternative route, subject to prior concurrence by CPCL.

4.2.3 As Smalls:

When the materials that are ready do not make up a wagon load by weight/volume for minimum freight payable for a wagon load, despatch should be effected as "Smalls".

Vendors should obtain from the Railways, the particulars of Road Van junction, Store Van etc. in which the smalls have been loaded, station to which sealed, Train No and date/time of movement and transmit same to Chief Manager (Project-Materials) Chennai Petroleum Corporation Ltd., Manali, Chennai-600068, for monitoring their movement.

4.2.4 As Wagon Loads:

Consignments though of lesser weight, but otherwise constituting a 'wagon load' by volume should be despatched as "wagon load" or at the smalls rate whichever is advantageous as per rule 164 or IRCA goods Tariff Part 1.

When consignments call for wagon(s), indents should be placed with Railway Station concerned after pre-determining accurately the type and number of wagons required. In case of covered wagons, it should be ensured that the same are water tight. If a particular type of wagon is in short supply, request should be made to the Railway Authorities to supply the next suitable type of wagon. Suitable packing in the wagon shall be done, wherever necessary to ensure maximum safety of the material in transit.

When ODC packages are involved, the vendor shall apply to the railway authorities with loading sketches showing overall dimensions and the wagon proposed to be utilized sufficiently in advance, for obtaining movement sanction and to establish firm transportability. Copies of all such correspondence together with loading sketches should be sent to Chief Manager (Project-Materials), CPCL, Manali, Chennai – 600068.

ODC packages shall be loaded, packed and lashed strictly in accordance with the Railway regulations. Should there be any delay/difficulty in obtaining the required wagon(s) the vendor shall inform Chief Manager (Project-Materials) Chennai Petroleum Limited, Manali, Chennai-600068 immediately giving details of the required number of wagons, type, carrying capacity etc, and indent number so that the matter may be taken up with Railway Authorities concerned. After despatch, Vendor shall obtain form the Railway Authorities, particulars of the wagon, train number, date of movement and destination junction for the particular train and furnish the same to the Chief Manager (Project-Materials) : CPCL , Manali, Chennai – 600068, for follow-up action on movement as may be necessary.

#### 4.3 DESPATCH BY TRUCKS : (INDIAN VENDORS)

- A) The vendor shall be responsible for despatch of materials through a reliable Bank approved transport company unless otherwise transport company is named by Owner.
- B) The vendor shall ensure with transport company the delivery of materials within a reasonable transit period. Vendor shall also obtain from transporter, particulars of Lorry No., Transporter's Challan No., Destination of lorry (if transshipment is involved), transporter's Agent at destination if any etc. and intimate same to the Chief Manager (Project-Materials) Chennai Petroleum Corporation Limited Manali, Chennai – 600068.

#### 5.0 DOCUMENTATION

5.1 All documents shall be in English language.

5.2 Documents required before shipment:

75 days (Seventy five) before the contractual delivery date, 6 copies each of Performa packing lists and sketches of over dimensional cargo shall be air mailed to Chief Manager (Project-Materials), CPCL, Chennai – 600068.

The over dimension cargo shall mean any package exceeding any of the following limits:

Weight	40 MT	Width	2.997 Meters
Length	13.716 Meters	Height	2.743 Meters

Documents required after shipments: The supplier shall air-mail the shipping documents stated here-in-below as quickly as possible after the shipment has been made so that the same are received at least two weeks prior to the arrival of vessel at destination port/consignment at destination.

The supplier shall be fully responsible for any delay and or demurrage that may become payable at destination port/Railway station on account of delay in transmittal of shipping documents.

Copy of documents to be sent	No. of Copies
to Owner, Chennai	
Bill of Lading/RR/GR	3
Commercial Invoice	3
Detailed Packing List	3
Freight memo (where applicable)	4
Test Certificate	4
Certificate of Origin	4
Certificate of Measurement & Weight	4
Catalogue and/or drawing	-
Final Payment Certificate	2

Note : In addition to the above, complete set of Original documents are required to be sent to Owner through Bank in terms of Letter of Credit/Purchase Order.

- 5.4 Bill of Lading/RR/GR  
Bill of Lading/RR/GR shall be clean made in favour of Owner or order of the Bank (and not Order of the shipper)
- 5.5 Commercial Invoices  
Commercial Invoices shall, inter alia, indicate (i) Import License Number, (ii) Customs contract Registration reference (to be intimated later) and (iii) Country of Origin. Besides the description in the invoice shall be in conformity with the Purchase Order and in case of Chemical/hazardous cargo, flash points is indicated in documents or a separate certificate giving composition and flash point shall be sent.
- 5.6 Packing List  
Packing List must show, apart from other peculiar actual contents in each case, net and gross weights and dimensions and the total number of packages. In case of pipes and plates in bundles, number of pipes/plates in each bundle must be indicated.
- 6.0 SHIPPING ADVICE
- 6.1 In respect of shipment by sea.  
  
Within 24 hours after shipment, the supplier shall send shipping advice by way of Telex/FAX/Cable to the Sr. Manager (Materials Dept.) CPCL, Manali, Chennai – 600068, giving particulars of the shipment, Vessel's Name, Port of Shipment, Bill of Lading number and date, contents in brief, Purchase Order number, total F.O.B. and freight values, number of packages and total gross weight.
- 6.2 In respect of despatch by Rail/Road  
Immediately after a shipment is made, vendor shall send advance information as to the particulars of materials, value, Purchase Order No./Goods Consignment No. Truck number, name of transport Company and their destination office/associate's address etc., by way of FAX/telegram or telex to the Sr. Manager (Materials Dept.), CPCL, Manali, Chennai – 600068

7.0 ADDRESS

Chennai Petroleum Corporation Ltd.,  
Refinery House  
Manali  
Chennai – 600068 (INDIA)

Phone : +91 44 25944217 / 25941213  
Telex : 041-8455 MRL IN  
041-7858 MRL IN  
CABLE : MAREFIN  
Fax : +91 44 25941247 / 25941216

8.0 TRANSIT RISK INSURANCE

All equipment/materials shall be insured against all marine and transit risk from Port of Shipment to Owner Warehouse by Owner. However, the vendor shall ensure that in effecting shipment clean bills of lading/RR/GR are obtained and the carrier's responsibility is fully retained on the carrier so that the consignee's interests are fully safeguarded and are in no way jeopardised.

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