

THE SUPPLIER OF POOR QUALITY PIPES MUST PAY 41 MILLION ROUBLES

By Vladislav Tkachenko

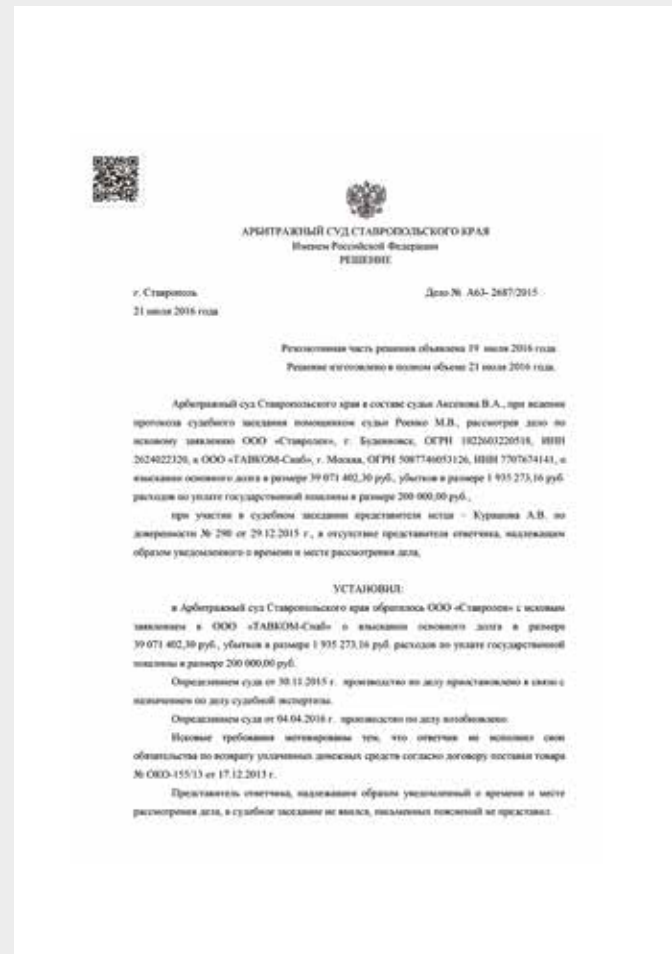
A great victory has been achieved in the fight against counterfeit products. The Arbitration Court of Stavropol Region delivered a judgement on case No. A63-2687/2015 in favour of Stavrolen LLC which refused to accept supplied pipes as they did not comply with GOST 18599-2001. They demanded a refund of amount paid for the goods and compensation in the total sum of 41 million roubles.

It all started in early 2013 when TAVKOM-Snab won the Stavrolen tender for the supply of PE pipes. 4,852 metres of PE 100 SDR 26, 710 mm pipes and 3,390 metres of PE 100 SDR 26, 630 mm pipes were produced by three manufacturers. These were Immid LLC of Vologda, Promyshlennoe Proizvodstvo of Bugulma, and Plastic Pipes Plant of Budennovsk. The pipes were delivered from mid-January to the end of February.

During the visual inspection (incoming control of appearance) it was established that the pipes supplied had defects i.e. inclusions and cavities. Moreover, the wall thickness was non-compliant with GOST 18599-2001. The customer took the decision to pause supply and send the pipe samples to the accredited laboratory at AND Gaztrubplast Plant.

The testing report revealed that the samples provided were non-compliant with GOST 18599-2001 in appearance and size. The products from two of the manufacturers failed tests for elongation at fracture and products from all three manufacturers failed the weight parts of the carbon black test. All this indicated that the pipes supplied were made of surrogate raw materials, not suitable for the production of pressure pipes, and possibly produced with violations of processing operating conditions.

The supplier disagreed with the examination findings, expressing the doubts about their impartiality and requested a repeated examination at an independent laboratory. They chose the lab at Kazanorgsintez



from the list of suggested options. According to the test results supplied to the Arbitration Court of Stavropol Region, all samples complied with GOST standards, however the claimant, Stavrolen, disagreed with the test findings as the protocols contained irregularities and a number of inconsistencies. Moreover, they did not contain the data on the testing of the weight parts of carbon black.

To settle the dispute, the Court assigned a forensic expert which was carried out by the Plastic Interindustry Institute of Plastic Processing. The results confirmed that the pipes supplied by TAVKOM-Snab and produced by all three manufacturers (Immid LLC of Vologda, Promyshlennoe Proizvodstvo of Bugulma and Plastic Pipes Plant of Budennovsk) did not comply with GOST 18599-2001 and were of poor quality. Based on the findings, the Court ruled that the claimant's requirements were valid and demanded recovery of 41,006,675.46 roubles of the costs (39,071,402.30 roubles) and compensation (1,935,273.16 roubles) to Stavrolen, as well as collection of the state duty of 200,000 roubles and payment for the expertise of 118,000 roubles.

The Court ruling came into force.

You can read the Court Ruling using this link: <http://kad.arbitr.ru/Card/8d6869a0-0d1c-499f-a2eb-d9e1f7840daf>