

SECTION-I

Date: 01.09.2010

FORWARDING LETTER

**Note: This limited tender is floated in cancellation of earlier
Tender No. OIL/ 62/7/ENQ-485 dated 13.08.2010**

TENDER NO. OIL/ 62/7/ENQ-485/R FOR APPOINTMENT OF INTERNAL AUDITORS

- 1.0 Oil India Limited (OIL) is a premier upstream Company incorporated under the Indian Companies Act, 1956, under the administrative purview of the Ministry of Petroleum and Natural Gas, Government of India. OIL also has participating interest in NELP exploration blocks in Mahanadi Offshore, Mumbai Deep water, Krishna Godavari Deepwater etc as well as various overseas projects in Libya, Gabon, Iran, Nigeria, Yemen, Timor Leste and Sudan.
- 2.0 Oil India Limited intends to appoint Internal Auditors to carry out the Internal Audit for the FY 2010-11, 2011-12 & 2012-13 in respect of its Corporate Office at Noida and Rajasthan Project Office. The contract shall be for a period of three years with a condition that initially agreement shall be valid for one year and may be extended for further period of two years depending on the performance.
- 2.1 The broad Scope of Work required by OIL for above services within the time frame and periodicity of carrying out the same is enclosed as Section- IV
The audit is required to be carried out on a quarterly basis. Quarterly report will be submitted in detail together with an Executive Summary highlighting the observations with their Risk Categorization as High, Medium & Low. Parameters for Risk categorization shall be decided mutually with the successful bidder during the course of audit.
The Internal Auditor may also be required once in a while to make presentation before the Audit Committee for their appraisal.
- 2.2 The firms are requested to send their quotation on annual fee basis in the format given in Section V. Just to facilitate bidders in estimating their bid amount, **as a rule of thumb**, 20 man-days per quarter each for Corporate Office and Rajasthan Project Office may be considered for performance of audit.
- 2.3 The firms are also requested to submit the name of the persons who would be involved from their end in the entire Audit along with their detailed bio-data. Team Leader must have a minimum of five years of post qualification (CA) experience as well as versed in Auditing under SAP R/3 environment. DISA / CISA qualification will be preferred. Firms should also specify their experience in Internal Audit in Oil & Gas Sector.
- 2.4 The firms may familiarize themselves with the involvement before quoting their professional fee. The contact person would be: Shri Narender Bhalla, Executive Director (CA & Audit),
Tel : 0120-2488421, 4217326, Mob : 9818278855, e-Mail : nbhalla@oilindia.in

3.0 One complete set of bid document for hiring of above services is being forwarded herewith. You are invited to submit your most competitive bid well before the scheduled bid closing date and time. For your ready reference, few salient points (covered in detail in this Bid Document) are highlighted below:

- (i) TENDER NO : OIL/ 62/7/ENQ-485
Dated 01.09.2010
- (ii) TYPE OF BID : Single Stage Composite Bid System
- (iii) BID CLOSING DATE & TIME : 10.09.2010 (at 2.30 PM)
- (iv) BID OPENING DATE & TIME : 10.09.2010 (at 2.45 PM)
- (v) BID SUBMISSION PLACES : Bid should be submitted on/or
before the Bid Closing date & time
at the following address:
OIL INDIA LIMITED
(A Govt. of India Enterprise)
Plot No. 19, Sector-16A
NOIDA – 201 301
- (vi) BID OPENING PLACE : At above place.
- (vii) DURATION OF CONTRACT : Three years with a condition that
initially agreement shall be valid for
one year and may be extended for
further period of two years
depending on the performance
- (viii) QUANTUM OF LIQUIDATED DAMAGE : 7-1/2% of total contract value.
FOR DEFAULT IN TIMELY COMPLETION
- (ix) BIDS TO BE ADDRESSED TO : Sr. Adviser (C& P)
OIL INDIA LIMITED
Plot No 19, Sector 16 A,
NOIDA – 201 301

4.0 OIL now looks forward to your active participation in the tender.

Thanking you,
Yours faithfully,
OIL INDIA LIMITED

(Prasanta Das)
Chief Manager (Materials)
For Senior Adviser(C & P)

For Chairman & Managing Director

SECTION-II

INSTRUCTIONS TO BIDDERS

1.0 Bidder shall bear all costs associated with the preparation and submission of bid. Oil India Limited, hereinafter referred to as 'Company', will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

2.0 BIDDING DOCUMENTS

2.1 The services required, bidding procedures and contract terms are prescribed in the Bidding Documents. This Bidding Document includes the following:

- a) A forwarding letter highlighting the following points (Section-I):
 - i. Company's Tender No.
 - ii. Bid Closing Date and time.
 - iii. Bid Opening Date, Time and Place.
 - iv. Bid Submission Places.
 - v. Bid Opening Place.
 - vi. Quantum of liquidated damages for default in timely completion.
 - vii. Duration of the Contract
- b) Instructions to Bidders (Section-II)
- c) General Conditions of Contract (Section-III)
- d) Terms of Reference/Technical Specification (Section-IV)
- e) Price Bid Format (Section-V)
- g) Bid Evaluation Criteria/Bid Rejection Criteria (BEC/BRC)-(Section-VI)
- h) Proforma Letter of Authority (Proforma-I)
- i) Statement of non-compliance (excepting BRC) (Proforma-II)
- j) Bid Form (Proforma-III).
- k) The Contract Form (Proforma-IV).
- l) Appendix I – Format in which Bank Details need to be furnished.

2.2 The bidder is expected to examine all instructions, forms, terms and specifications in the Bidding documents. Failure to furnish all information required in the Bidding Documents or submission of a bid not substantially responsive to the Bidding Documents in every respect will be at the Bidder's risk & responsibility and may result in the rejection of its bid.

3.0 AMENDMENT OF BIDDING DOCUMENTS:

3.1 At any time prior to the deadline for submission of bids, the company may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the Bidding Documents by the issuance of an Addendum.

3.2 The Addendum will be sent in writing through post / courier or by Fax or e-mail to all prospective Bidders to whom Company has sent the bid documents. The company may, at its discretion, extend the deadline for bid submission, if the Bidders are expected to require additional time in which to take the Addendum into account in preparation of their bid or for any other reason.

4.0 PREPARATION OF BIDS

4.1 LANGUAGE OF BIDS: The bid as well as all correspondence and documents relating to the bid exchanged between the Bidder and the Company shall be in English language, except that any printed literature may be in another language provided it is accompanied by an English translated version, which shall govern for the purpose of bid interpretation.

4.2 DOCUMENTS COMPRISING THE BID: The complete bid should be submitted as Single (Composite) Bid System - Both Techno-Commercial part and Price part should be put in one envelope.

4.3 The envelope(s) shall be opened as Single (Composite) Bid System. The envelope containing both Techno-Commercial part and Price part should be opened on the Bid Opening Time and Date by Bid Opening Officers.

5.0 BID FORM:

5.1 The bidder shall complete the Bid Form and the appropriate Price Schedule furnished in the Bid Document.

6.0 BID PRICE:

6.1 Prices must be quoted by the bidders, both in words and in figures. In case of any discrepancy between the words and in figures, the prices indicated in words only will be considered.

6.2 Price quoted by the successful bidder must remain firm during its performance of the Contract and is not subject to variation on any account.

7.0 DOCUMENTS ESTABLISHING BIDDER'S ELIGIBILITY AND QUALIFICATIONS:

7.1 These are listed in **SECTION-VI**

8.0 **PERIOD OF VALIDITY OF BIDS:**

- 8.1 Bids shall remain **valid for 120 days** after the date of bid opening prescribed by the Company.
- 8.2 In exceptional circumstances, the Company may solicit the Bidder's consent to an extension of the period of validity. The request and the response thereto shall be made in writing (or by Fax). A Bidder may refuse the request. A Bidder granting the request will neither be required nor permitted to modify their bid.

9.0 **FORMAT AND SIGNING OF BID:**

- 9.1 The Bidder shall prepare 3 (THREE) copies of the bid clearly marking original "ORIGINAL BID" and rest "COPY OF BID". In the event of any discrepancy between them, the original shall govern.
- 9.2 The original and all copies of the bid shall be typed or written in indelible inks and shall be signed by the Bidder or a person or persons duly authorized to bind the Bidder to the contract. The letter of authorization (as per **Proforma-I**) shall be indicated by written power of attorney accompanying the bid. All pages of the bid, except for un-amended printed literature, shall be initialed by the person or persons signing the bid.
- 9.3 The bid should contain no interlineations, white fluid erasures or overwriting except as necessary to correct errors made by the Bidder, in which case such correction shall be initialed by the person or persons signing the bid.

10.0 **SUBMISSION OF BIDS**

- 10.1 SEALING AND MARKING OF BIDS: The Bidder shall seal the original and each copy of the bid duly marking as "ORIGINAL" and "COPY".
- 10.2 The **Envelope** should be super scribing the following on the right hand top corner:
- i. Tender No. _____
 - ii. Bid Closing Date _____
 - iii. Bidder's Name _____
- 10.3 All the conditions of the contract to be made with the successful bidder are given in various sections of this document. Bidders are requested to state their non-compliance to each clause as per **Proforma-II**. This should be enclosed with the technical bid.
- 10.4 Timely delivery of the bids is the responsibility of the Bidder. Bidders should send their bids as far as possible by Registered Post or by Courier Services. **Bids may also be handed over to the Officer in Charge of receiving the bids before the bid closing date and time.** Company shall not be responsible for any postal delay/transit loss.
- 10.5 E-mail/ Fax/ Telex/Telegraphic/Telephonic offers will not be accepted.

11.0 **DEADLINE FOR SUBMISSION OF BIDS:**

- 11.1 Bids must be received by the company at the address specified in the "Forwarding Letter" not later than 14.30 Hrs. (Indian standard Time) on the bid closing date mentioned in the "Forwarding Letter".

12.0 **LATE BIDS:**

- 12.1 Any Bid received by the Company after the deadline for submission of bids prescribed by the Company shall be rejected.

13.0 MODIFICATION AND WITHDRAWAL OF BIDS:

- 13.1 The Bidder after submission of bid may modify or withdraw its bid by written notice prior to bid closing.
- 13.2 The Bidder's modification or withdrawal notice shall be prepared sealed, marked and dispatched in accordance with the provisions of clause 10.0. A withdrawal notice may also be sent by fax but followed by a signed confirmation copy, postmarked not later than the deadline for submission of bids.
- 13.3 No bid can be modified / withdrawn subsequent to the deadline for submission of bids.
- 13.4 No bid may be withdrawn in the interval between the deadline for submission of bids and the expiry of the period of bid validity specified by the Bidder on the Bid Form. Withdrawal of a bid during this interval shall result in the Bidder's forfeiture of its Bid Security.

14.0 BID OPENING AND EVALUATION:

- 14.1 Company will open the Bids, including submission made pursuant to clause 13.0, in the presence of Bidder's representatives who choose to attend at the date, time and place mentioned in the Forwarding Letter. However, an authorization letter (as per **Performa-I**) from the bidder must be produced by the Bidder's representative at the time of bid opening. Unless this Letter is presented, the representative will not be allowed to attend the bid opening. The Bidder's representatives who are allowed to attend the bid opening shall sign a register evidencing their attendance. Only one representative against each bid will be allowed to attend.
- 14.2 Bid for which an acceptable notice of withdrawal has been received pursuant to clause 13.0 shall not be opened. Company will examine bids to determine whether they are complete, whether requisite Bid Securities have been furnished, whether documents have been properly signed and whether the bids are generally in order.
- 14.3 Bid opening shall be done as detailed in clauses 4.2 and 4.3 above
- 14.4 Company shall prepare, for its own records, minutes of bid opening including the information disclosed to those present in accordance with the sub-clause 14.1
- 14.5 To assist in the examination, evaluation and comparison of bids the Company may at its discretion, ask the Bidder for clarifications of its bid. The request for clarification and the response shall be in writing and no change in the price or substance of the bid shall be sought, offered or permitted.
- 14.6 Prior to the detailed evaluation, Company will determine the substantial responsiveness of each bid to the requirement of the Bidding Documents. For purpose of these paragraphs, a substantially responsive bid is one, which conforms to all the terms and conditions of the Bidding Document without material deviations or reservation. A material deviation or reservation is one which affects in any way substantial way the scope, quality, or performance of work, or which limits in any substantial way, inconsistent way with the bidding documents, the Company's right or the bidder's obligations under the contract, and the rectification of which deviation or reservation would affect unfairly the competitive position of other bidders presenting substantial responsive bids. The Company's determination of bid's responsiveness is to be based on the contents of the Bid itself without recourse to extrinsic evidence.
- 14.7 A Bid determined as not substantially responsive will be rejected by the Company and may not subsequently be made responsive by the Bidder by correction of the non-conformity.

14.8 The Company may waive minor informality or nonconformity or irregularity in a bid, which does not constitute a material deviation, provided such waiver, does not prejudice or affect the relative ranking of any Bidder.

15.0 EVALUATION AND COMPARISON OF BIDS:

15.1 The Company will evaluate and compare the bids as per **Priced Bid Format (Section-V)** of the bidding documents.

15.2 DISCOUNTS / REBATES: Unconditional discounts/rebates, if any, given in the bid or along with the bid will be considered for evaluation.

15.3 Post bid or conditional discounts/rebates offered by any bidder shall not be considered for evaluation of bids. However, if the lowest bidder happens to be the final acceptable bidder for award of contract, and if they have offered any discounts/rebates, the contract shall be awarded after taking into account such discounts/rebates.

16.0 CONTACTING THE COMPANY:

16.1 Except as otherwise provided in Clause 14.0 above, no Bidder shall contact Company on any matter relating to its bid, from the time of the bid opening to the time the Contract is awarded except as required by Company vide sub-clause 14.5.

16.2 An effort by a Bidder to influence the Company in the Company's bid evaluation, bid comparison or Contract award decisions may result in the rejection of their bid.

17.0 AWARD CRITERIA:

17.1 The Company will award the Contract to the successful Bidder whose bid has been determined to be substantially responsive and has been determined as the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.

18.0 COMPANY'S RIGHT TO ACCEPT OR REJECT ANY BID:

18.1 Company reserves the right to accept or reject any or all bids and to annul the bidding process and reject all bids, at any time prior to award of contract, without thereby incurring any liability to the affected bidder, or bidders or any obligation to inform the affected bidder of the grounds for Company's action.

19.0 NOTIFICATION OF AWARD:

19.1 Prior to the expiry of the period of bid validity or extended validity, the company will notify the successful Bidder in writing by registered letter or by cable or telex or fax or e-mail (to be confirmed in writing by registered / couriered letter) that its bid has been accepted.

19.2 The notification of award will constitute the formation of the Contract.

20.0 SIGNING OF CONTRACT:

20.1 At the same time as the Company notifies the successful Bidder that its Bid has been accepted, the Company will either call the successful bidder for signing of the agreement or send the Contract Form provided in the Bidding Documents, along with the General & Special Conditions of Contract, Technical Specifications, Schedule of rates incorporating all agreements between the parties.

- 20.2 Within 30 days of issue of Letter of Award (LOA), the successful Bidder shall sign and date the contract and return it to the company. Till the contract is signed, the LOA issued to the successful bidder shall remain binding amongst the two parties.
- 20.3 In the event of failure on the part of the successful bidder to sign the contract within the period specified above or any other time period specified by Company, OIL reserves the right to terminate the LOA issued to the successful bidder. The party shall also be debarred for a period of 2(two) years from the date of default.

21.0 FURNISHING FRAUDULENT INFORMATION/DOCUMENTS :

- 21.1 If it found that a bidder/contractor has furnished fraudulent information/documents, it shall constitute sufficient ground for annulment of the award and the party shall be debarred for a period of 3(three) years from the date of detection of such fraudulent act besides the legal action.

22.0 BIDDERS' AWARENESS ON THE COMPLETE REQUIREMENT OF THE PROJECT:

- 22.1 Bidders in their own interest are advised to visit the site of the works in Noida (U.P.) to gather information about the site, its surroundings and for preliminary assessment for preparing their bids and for subsequent execution of the contract. However all expenses of the personnel including but not limited to their to and fro fares, boarding, lodging etc. to Noida shall be to prospective bidder's account.

22.2 Local Conditions:

It is imperative for each Bidder to fully inform themselves of all Indian as well as local conditions, factors and legislation which may have any effect on the execution of the work covered under the Bid Document. The bidders shall be deemed prior to submitting their bids to have satisfied themselves as to the circumstances at the Site, including without limitation and obtained for themselves all necessary information as to the risks, contingencies and all other circumstances, which may influence or affect the Contract price and its obligations under the Contract. No request will be considered for clarifications from the Company (OIL) regarding such conditions, factors and legislation. It is understood and agreed that such conditions, factors and legislation have been properly investigated and considered by the Bidders while submitting the Bids. Failure to do so shall not relieve the Bidders from responsibility to estimate properly the cost of performing the work within the provided timeframe. Company (OIL) will assume no responsibility for any understandings or representations concerning conditions made by any of his officers or agents prior to award of the Contract. Company (OIL) shall not permit any Changes to the time schedule of the Contract or any financial adjustments arising from the Bidder's lack of knowledge and its effect on the cost of execution of the Contract.

22.3 Specifications:

Before submission of Bids, Bidders are requested to make themselves fully conversant with all Conditions of the Bid Document and other relevant information related to the works to be executed under this contract.

SECTION-III

GENERAL CONDITIONS OF CONTRACT

1.0 DEFINITIONS:

In the contract, the following terms shall be interpreted as indicated:

- (a) **"The Contract"** means agreement entered into between Company and Contractor, as recorded in the contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein;
- (b) **"The Contract Price"** means the price payable to Contractor under the contract for the full and proper performance of its contractual obligations;
- (c) **"The Work"** means each and every activity required for the successful performance of the services described in Section IV, the Terms of Reference.
- (d) **"Company"** or "OIL" means Oil India Limited;
- (e) **"Contractor"** means the Contractor performing the work under this Contract.
- (f) **"Contractor's Personnel"** mean the personnel to be provided by the Contractor (including their sub contractor's personnel) to provide services as per the contract.
- (g) **"Services"** means the work specified in **Section IV** and all other obligations to be complied with by Contractor pursuant to and in accordance with the terms of this contract

2.0 EFFECTIVE DATE AND DURATION OF CONTRACT:

- 2.1 The contract shall become effective as of the date Company notifies bidder in writing (through Letter of Award i.e. LOA) regarding awarding of contract. The duration of Contract, to be reckoned from the date of LOA, shall be a period of 3(three) years subject to other clauses of the contract.

3.0 GENERAL OBLIGATIONS OF CONTRACTOR: Contractor shall, in accordance with and subject to the terms and conditions of this Contract:

- 3.1 Perform the work described in the Terms of Reference (Section IV) in most economic and cost effective manner.
- 3.2 Except as otherwise provided in the Terms of Reference and the special Conditions of the contract provide all labour as required to perform the work.
- 3.3 Perform all other obligations, work and services which are required by the terms of this contract or which reasonably can be implied from such terms as being necessary for the successful and timely completion of the work.
- 3.4 Bidder shall be deemed to have satisfied himself before submitting his bid as to the correctness and sufficiency of its bid for the services required and of the rates and prices quoted, which rates and prices shall, except insofar as otherwise provided, cover all its obligations under the contract.

4.0 GENERAL OBLIGATIONS OF THE COMPANY: Company shall, in accordance with and subject to the terms and conditions of this contract:

- 4.1 Pay Contractor in accordance with terms and conditions of the contract.
- 4.2 Allow Contractor and his personnel access, subject to normal security and safety procedures, to all areas as required for orderly performance of the work.
- 4.3 Contractor will provide all necessary support throughout the period of this contract.
- 4.4 Perform all other obligations required of Company by the terms of the contract.

5.0 PERSONNEL TO BE DEPLOYED BY CONTRACTOR

- 5.1 Contractor will provide competent, qualified and sufficiently experienced personnel to perform the work as required by terms of the contract.
- 5.2 In particular, Team Leader, who shall be a part of the team conducting audit, must have minimum of 5 years of post qualification experience (CA).

6.0 CONFIDENTIALITY, USE OF CONTRACT DOCUMENTS AND INFORMATION:

- 6.1 Contractor shall not, without Company's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing pattern, sample or information furnished by or on behalf of Company in connection therewith, to any person other than a person employed by Contractor in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far, as may be necessary for purposes of such performance.
- 6.2 Contractor shall not, without Company's prior written consent, make use of any document or information provided by the Company except for purposes of performing the contract.
- 6.3 Any document supplied to the Contractor in relation to the contract other than the Contract itself remain the property of Company and shall be returned (in all copies) to Company on completion of Contractor's performance under the Contract if so required by Company. All information obtained by Contractor in the conduct of operations and the information provided to the Contractor shall be considered confidential and shall not be divulged by Contractor or its employees to anyone other than the Company's personnel. This obligation of Contractor shall be in force even after the termination of the contract.

7.0 TAXES:

- 7.1 Tax levied as per the provisions of Indian Income Tax Act and any other enactment/rules on income derived/payments received under this contract will be on Contractor's account and the Company shall not assume any responsibility on this account.
- 7.2 Contractor shall be responsible for payment of personal taxes, if any, for all the personnel deployed.
- 7.3 Service Tax: Service Tax as applicable shall be on Company's account. However, liability for payment of the service tax will lie on contractor

8.0 CHANGES:

- 8.1 During the performance of the work, Company may make a change in the work mutually agreed within the general scope of this Contract including, but not limited to, changes in methodology, and minor additions to or deletions from the work to be performed. Contractor shall perform the work as changed. Changes of this nature will be effected by written order (Change Order) by the Company.
- 8.2 If any change result in an increase in compensation due to Contractor or in a credit due to Company, Contractor shall submit to Company an estimate of the amount of such compensation or credit in a form prescribed by Company. Upon review of Contractor's estimate, Contractor shall establish and set forth in the Change Order the amount of the compensation or credit for the change or a basis for determining a reasonable compensation or credit for the change. If Contractor disagrees with compensation or

credit set forth in the Change Order, Contractor shall nevertheless perform the work as changed, and the parties will resolve the dispute in accordance with Clause 13 hereunder. Contractor's performance of the work as changed will not prejudice Contractor's request for additional compensation for work performed under the Change Order.

9.0 FORCE MAJEURE:

- 9.1 In the event of either party being rendered unable by 'Force Majeure' to perform any obligation required to be performed by them under the contract, the relative obligation of the party affected by such 'Force Majeure' will stand suspended as provided herein. The word 'Force Majeure' as employed herein shall mean acts of God, war, revolt, agitation, strikes, riot, fire, flood, sabotage, civil commotion, road barricade (but not due to interference of employment problem of the Contractor) and any other cause, whether of kind herein enumerated or otherwise which are not within the control of the party to the contract and which renders performance of the contract by the said party impossible.
- 9.2 Upon occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing within Seventy Two (72) hours of the alleged beginning and ending thereof, giving full particulars and satisfactory evidence in support of its claim.
- 9.3 Should 'Force Majeure' condition as stated above occur and the same should be notified within seventy two (72) hours after its occurrence. Either party will have the right to terminate the contract if such 'Force Majeure' condition continues beyond fifteen (15) days with prior written notice. Should either party decide not to terminate the contract even under such condition, no payment would apply after expiry of fifteen (15) days period unless otherwise agreed to. Time for performance of the relative obligation suspended by the 'Force Majeure' shall then stand extended by the period for which such cause lasts.

10.0 TERMINATION:

- 10.1 **TERMINATION ON EXPIRY OF THE TERMS (DURATION):** This contract shall be deemed to have been automatically terminated on the expiry of duration of the contract or extension, if any, thereof.
- 10.2 **TERMINATION ON ACCOUNT OF FORCE MAJEURE:** Either party shall have the right to terminate this Contract on account of Force Majeure as set forth in Article 11.0 above.
- 10.3 **TERMINATION ON ACCOUNT OF INSOLVENCY:** In the event that the Contractor at any time during the term of this Contract, becomes insolvent or makes a voluntary assignment of its assets for the benefit of creditors or is adjudged bankrupt, then the Company shall, by a notice in writing have the right to terminate this Contract and all the Contractor's rights and privileges hereunder, shall stand terminated forthwith.
- 10.4 **TERMINATION FOR UNSATISFACTORY PERFORMANCE:** If at the end of year one under the contract, the Company considers that, the performance of the Contractor is, not as per the scope of the work as specified in the contract, the Company shall notify the Contractor in writing and specify in details the cause. The Company shall have the option to terminate this Contract by giving 15 days notice in writing to the Contractor, if Contractor fails to comply with the requisitions contained in the said written notice issued by the Company.

- 10.5 **TERMINATION DUE TO CHANGE OF OWNERSHIP & ASSIGNMENT:** In case the Contractor's rights and / or obligations under this Contract and/or the Contractor's rights, title and interest to the equipment/material, are transferred or assigned without the Company's consent, the Company may at its absolute discretion, terminate this Contract.
- 10.6 **CONSEQUENCES OF TERMINATION:** In all cases of termination herein set forth, the relative obligations of the parties to the Contract shall be limited to the period up to the date of termination. Notwithstanding the termination of this Contract, the parties shall continue to be bound by the provisions of this Contract that reasonably require some action or forbearance after such termination.
- 10.7 Upon termination of this Contract, Contractor shall return to Company all of Company's items, which are at the time in Contractor's possession.
- 10.8 In the event of termination of contract, Company will issue Notice of termination of the contract with date or event after which the contract will be terminated. The contract shall then stand terminated and the Contractor shall demobilize their personnel & materials.

11.0 SETTLEMENT OF DISPUTES AND ARBITRATION:

- 11.1 All disputes or differences whatsoever arising between the parties out of or relating to the construction, meaning and operation or effect of this contract or the breach thereof shall be settled by arbitration in accordance with the Rules of Indian Arbitration and Conciliation Act,1996. The venue of arbitration will be Delhi. The award made in pursuance thereof shall be binding on the parties.

12.0 NOTICES:

- 12.1 Any notice given by one party to other, pursuant to this Contract shall be sent in writing or Fax or e-mail and confirmed in writing to the applicable address specified below:

Company

a) **For contractual matters**
Senior Adviser(C & P)

b) **For Technical matters**
Executive Director (Audit)

OIL INDIA LIMITED

Plot No. 19
Sector-16 A, NOIDA-201 301
Fax No. 91-120-2488327
Email: corp_c&p@oilindia.in

OIL INDIA LIMITED

Plot No. 19
Sector-16 A, NOIDA-201 301
FAX No. 91-120-2488310
Email: nbhalla@oilindia.in

c) Contractor

Fax No. :

- 12.2 A notice shall be effective when delivered or on the notice's effective date, whichever is later.

13.0 SUBCONTRACTING:

- 13.1 Contractor shall not subcontract or assign, in whole or in part, its obligations to perform under this contract, except with Company's prior written consent.

14.0 MISCELLANEOUS PROVISIONS:

- 14.1 Contractor shall give notices and pay all fees at their own cost required to be given or paid by any National or State Statute, Ordinance, or other Law or any regulation, or bye-law of any local or other duly constituted authority as may be in force from time to time in India, in relation to the performance of the services and by the rules & regulations of all public bodies and companies whose property or rights are affected or may be affected in any way by the services.
- 14.2 Contractor shall conform in all respects with the provisions of any Statute, Ordinance of Law as aforesaid and the regulations or bye-law of any local or other duly constituted authority which may be applicable to the services and with such rules and regulation public bodies and Companies as aforesaid and shall keep Company indemnified against all penalties and liability of every kind for breach of any such Statute, Ordinance or Law, regulation or byelaw.
- 14.3 During the tenure of the Contract, Contractor shall keep the site where the services are being performed reasonably free from all unnecessary obstruction and shall store or dispose of any equipment and surplus materials and clear away and remove from the site any wreckage, rubbish or temporary works no longer required. On the completion of the services, Contractor shall clear away and remove from the site any Contractor's surplus materials, rubbish or temporary works of every kind and leave the whole of the site clean to the satisfaction of the Company.
- 14.4 **Key personnel cannot be changed during the tenure of the Contract except due to sickness/death/resignation of the personnel in which case the replaced person should have minimum experience and qualification, which will be again subject to approval, by the Company.**

15.0 LIQUIDATED DAMAGES FOR DEFAULT IN TIMELY COMPLETION:

- 15.1 Time will be of the essence of the contract.
- 15.2 In the event of the Contractor's default in maintaining the agreed completion period set out in the Contract, OIL shall have the right to cancel the Contract at any time after expiry of scheduled period without any reference to the Contractor and make alternative arrangement at the discretion of OIL in which case extra expenditure involved, will be recoverable from the Contractor and OIL shall not be responsible towards such cancellation or any damage that may be incurred by the Contractor. The decision of OIL shall be final and binding on the Contractor.
- 15.3 As an alternative to **Clause No. 15.2 above**, OIL reserve the right to accept the job; but, the Contractor shall be liable to pay liquidated damages @ 0.5% per week or part thereof of the value of the Contract for the defaulted period subject to a maximum of 7.5 % of the total contract value.
The amount of liquidated damage as stipulated above is a pre-estimated genuine loss as agreed by both the parties and shall be payable without any demur and shall not be open for any dispute whatsoever.
- 15.4 The liquidated damage as agreed by both the parties as a genuine pre-estimated loss shall be payable on Grand Total Value of the Contract.
- 15.5 The Company also reserves the right to cancel the Contract without any compensation whatsoever in case of failure by the Contractor to commence operation within the stipulated period.

16.0 LIABILITY:

- 16.1 Except as otherwise expressly provided, neither Company nor its servants, agents, nominees, Contractors, or sub-contractors shall have any liability or responsibility whatsoever to whomsoever for loss of or damage to the equipment and/or loss of or damage to the property of the Contractor and/or their Bidder or sub-contractors, irrespective of how such loss or damage is caused and even if caused by the negligence of Company and/or its servants, agent, nominees, assignees, Bidder and sub-Contractors. The Contractor shall protect, defend, indemnify and hold harmless Company from and against such loss or damage and any suit, claim or expense resulting there from.
- 16.2 Neither Company nor its servants, agents, nominees, assignees, Contractor, sub-contractors shall have any liability or responsibility whatsoever for injury to, illness, or death of any employee of the Contractor and/or of its Contractor or sub-contractor irrespective of how such injury, illness or death is caused and even if caused by the negligence of Company and/or its servants, agents nominees, assignees, Contractor and sub-contractors.
Contractor shall protect, defend, indemnify and hold harmless Company from and against such liabilities and any suit, claim or expense resulting there from.
- 16.3 The Contractor hereby agrees to waive its right to recourse and further agrees to cause their underwriters to waive their right of subrogation against Company and/or its underwrites, servants, agents, nominees, assignees, Contractor and sub-contractors for loss or damage to the equipment of the Contractor and/or its sub-contractors when such loss or damage or liabilities arises out of or in connection with the performance of the contract.
- 16.4 The Company hereby further agrees to waive its right of recourse and agrees to cause its underwriters to waive their right of subrogation against Company and/or its underwriters, servants, agents, nominees, assignees, Contractors and sub-contractors for injury to, illness or death of any employee of the Contractor and of its Contractor, sub-contractors and/or their employees when such injury, illness or death arises out of or in connection with the performance of the contract.
- 16.5 Except as otherwise expressly provided, neither Contractor nor its servants, agents, nominees, Contractor or sub-contractors shall have any liability or responsibility whatsoever to whomsoever for loss of or damage to the equipment and/or loss or damage to the property of the Company and/or their Contractors or sub-contractors, irrespective of how such loss or damage is caused and even if caused by the negligence of Contractor and/or its servants, agents, nominees, assignees, Contractor and sub-contractors. The Company shall protect, defend, indemnify and hold harmless Contractor from and against such loss or damage and any suit, claim or expense resulting there from.
- 16.6 Neither Contractor nor its servants, agents, nominees, assignees, Contractors, subcontractors shall have any liability or responsibility whatsoever to whomsoever for injury or illness, or death of any employee of the Company and/or of its Contractors or subcontractors irrespective of how such injury, illness or death is caused and even if caused by the negligence of Contractor and/or its servants, agents, nominees, assignees, Contractors and sub-contractors. Company shall protect, defend indemnify and hold harmless Contractor from and against such liabilities and any suit, claim or expense resulting there from.

16.7 The Company agrees to waive its right of recourse and further agrees to cause its underwriters to waive their right of subrogation against Contractor and /or its underwriters, servants, agents, nominees, assignees, Contractor and sub-contractors for loss or damage to the equipment of Company and/or its Contractor sub-contractors when such loss or damage or liabilities arises out of or in connection with the performance of the contract.

16.8 The Company hereby further agrees to waive its right of recourse and agrees to cause its underwriters to waive their right of subrogation against Contractor and/or its underwriters, servants, agents, nominees, assignees, Contractors and sub-contractors for injury to, illness or death of any employee of the Company and of its Contractors, sub-contractors and/or their employees when such injury, illness or death arises out of or in connection with the performance of the Contract.

17.0 CONSEQUENTIAL DAMAGE: Except as otherwise expressly provided, neither party shall be liable to the other for special, indirect or consequential damages resulting from or arising out of the contract, including but without limitation, to loss or profit or business interruptions, howsoever caused and regardless of whether such loss or damage was caused by the negligence (either sole or concurrent) of either party, its employees, agents or sub-contractors.

18.0 INDEMNITY AGREEMENT:

18.1 Except as provided hereof Contractor agrees to protect, defend, indemnify and hold Company harmless from and against all claims, suits, demands and causes of action, liabilities, expenses, cost, liens and judgments of every kind and character, without limit, which may arise in favour of Contractor's employees, agents, Contractors and subcontractors or their employees on account of bodily injury or death, or damage to personnel/property as a result of the operations contemplated hereby, regardless of whether or not said claims, demands or causes of action arise out of the negligence or otherwise, in whole or in part or other faults.

18.2 Except as provided hereof Company agrees to protect, defend, indemnify and hold Contractor harmless from and against all claims, suits, demands and causes of action, liabilities, expenses, cost, liens and judgments of every kind and character, without limit, which may arise in favour of Company's employees, agents, Contractor and subcontractors or their employees on account of bodily injury or death, or damage to personnel/property as a result of the operations contemplated hereby, regardless of whether or not said claims, demands or causes of action arise out of the negligence or otherwise, in whole or in part or other faults.

19.0 INDEMNITY APPLICATION: The indemnities given herein above, whether given by Company or Contractor shall be without regard to fault or to the negligence of either party even though said loss, damage, liability, claim, demand, expense, cost or cause of action may be caused, occasioned by or contributed to by the negligence, either sole or concurrent of either party.

20.0 PAYMENT, MANNER OF PAYMENT, RATES OF PAYMENT & INVOICING PROCEDURE:

20.1 Company shall pay to Contractor, during the term of the contract, the amount due calculated according to the rates of payment set and in accordance with other provisions hereof. No other payments shall be due from Company unless specifically provided for in

this contract. All payments will be made in accordance with the terms hereinafter described.

- 20.2 **MANNER OF PAYMENT:** All payments due by Company to Contractor shall be made at Contractor's designated bank. All bank charges will be to Contractor's account. To enable the Company to arrange e-remittance, the Appendix-I must be filled up/submitted by the bidder along with their bid.
- 20.3 Payment of any invoices shall not prejudice the right of Company to question the validity of any charges therein, provided Company within one year after the date of payment shall make and deliver to Contractor written notice of objection to any item or items the validity of which Company questions.
- 20.4 Contractor shall submit 4(four) sets of all invoices to Company address given under **para 12.1** duly superscribed 'Original' and 'copy' as applicable for processing of payment.
- 20.5 Contractor shall submit invoices to Company along with the submission of final quarterly reports.
- 20.6 Quarterly Invoice amount shall be 1/4th (one fourth) of the total annual fee for the relevant year.
- 20.7 Payment of invoices, if undisputed, shall be made within 30 days following the date of receipt of invoice by Company after deduction of tax at source as per applicable laws.
- 20.8 Company shall within 20 days of receipt of the invoice notify Contractor of any item under dispute, specifying the reasons thereof, in which event, payment of the disputed amount may be withheld until settlement of the dispute, but payment shall be made of any undisputed portion. This will not prejudice the Company's right to question the validity of the payment at a later date as envisaged in **sub-clause 20.3 above**.
- 20.9 The acceptance by Contractor of part payment on any billing not paid on or before the due date shall not be deemed a waiver of Contractor's rights in respect of any other billing, the payment of which may then or thereafter be due.

21.0 SET OFF:

- 21.1 Any sum of money due and payable to the contractor under this contract or any other contract may be appropriated by Oil India Limited and set off against any claim of Oil India Limited (or such other person or persons contracting through Oil India Limited) for payment of a sum of money arising out of this contract or under any other contract made by the contractor with Oil India Limited (or such other person or person contracting through OIL).

22.0 APPLICABLE LAW:

- 22.1 The Contract shall be deemed to be a Contract made under, governed by and construed in accordance with the laws of India for the time being in force and shall be subject to the exclusive jurisdiction of Courts situated in New Delhi.
- 22.2 The Contractor shall ensure full compliance of various Indian Laws and Statutory Regulations, to the extent applicable, as stated below, but not limited to, in force from time to time and obtain necessary permits/licenses etc. from appropriate authorities for conducting operations under the Contract:
- a) The Mines Act - as applicable to safety and employment conditions.
 - b) The Minimum Wages Act, 1948.
 - c) The Oil Mines Regulations, 1984.
 - d) The Workmen's Compensation Act, 1923.

- e) The Payment of Wages Act, 1963.
- f) The Payment of Bonus Act, 1965.
- g) The Contract Labour (Regulation & Abolition) Act, 1970 and the rules framed there under.
- h) The Employees Pension Scheme, 1995.
- i) The Interstate Migrant Workmen Act., 1979 (Regulation of employment and conditions of service).
- j) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- k) Service Tax Act.
- l) Customs & Excise Act & Rules
- m) Value Added Tax
- n) Environment Protection Act
- o) Public Liability Act

23.0 RECORDS, REPORTS AND INSPECTION:

23.1 The Contractor shall, at all times, permit the Company and its authorised employees and representatives to inspect all the Work performed and to witness and check all the measurements and tests made in connection with the said work. The Contractor shall keep an authentic, accurate history and logs including safety records at all reasonable times for inspection by the Company's designated representatives and its authorised employees and representatives. The Contractor shall provide the Company designated representatives with a daily written report, on form prescribed by the Company showing details of operations during the preceding 24 hours. The Contractor shall not, without Company's written consent allow any third person(s) access to the said records, or give out to any third person information in connection therewith.

24.0 SUBSEQUENTLY ENACTED LAWS:

24.1 Subsequent to the date of submission of Contractor's bid, if there is a change in or enactment of any law or interpretation of existing law, which results in additional cost/reduction in cost to Contractor on account of the operation under the Contract, the company/ Contractor shall reimburse/pay Contractor/company for such additional/reduced costs actually incurred.

25.0 ROYALTY AND PATENTS:

25.1 Each party shall hold harmless and indemnify the other from and against all claim and proceedings for or on account of any patent rights, design, trade mark or other protected rights arising from any use of materials, equipment, processes, inventions and methods which have not been imposed on the attending party by the terms of the contract or the specifications or drawings forming part thereof.

26.0 WAIVER & AMENDMENTS:

26.1 It is fully understood and agreed that none of the terms and conditions of the contract shall be deemed waived or amended by either party unless such waiver or amendment is executed in writing by the duly authorized agents or representatives of such party. The failure of either party to execute any right of termination shall not act as a waiver or amendment of any right of such party provided hereunder.

SECTION IV
Terms of Reference/Technical Specification

SCOPE OF INTERNAL AUDIT – CORPORATE OFFICE, NOIDA

1. Checking for compliance of companies rules and procedures and point out deviation, if any.
2. Checking for proper systems / internal control systems and commenting on the effectiveness of the internal control checks in existence. Also to suggest improvement wherever necessary.

I. **CONTRACTS / PURCHASE REVIEW**

1. **Indenting/PR**
 - Access to create indent/PR is restricted
 - Indents/PRs are raised as per DOP
 - Indents are not raised for materials already in stock
 - Release/approval of Indents as per DOP
 - Maker – Checker control is maintained
 - All indents have expenditure sanction
2. **Tendering**
 - Standard Clauses of Warranty, Guarantee, Penalty, Liquidated Damages, Time & Place of Delivery, Subject to Inspection, Right of Rejection, Submission of Invoice, Payment terms etc are maintained in RFQ's
 - RFQ's are approved by Competent Authority
 - Tenders are invited as per Co's policy with respect to Open Tenders, Limited Tenders, Single Tenders, etc
 - RFQ's are not sent to Black listed Vendor
 - Refundable Security deposit/PBG/Earnest money is duly received and accounted for in the Books
 - Non refundable amounts like sale of tender documents, etc are duly received & accounted for in the Books
 - Tenders were kept open for a reasonable period
3. **Evaluation of Bids**
 - Bids are opened by authorized people on a specific day & time
 - Comparative statements are prepared
 - Statement should document the reasons for selection/rejection & the same should be signed off in each case
 - Specific attention should be given to rejected Bids
 - Overall criteria of Bid Evaluation should be checked
4. **Placing Purchase/Work Order**

- Changes in terms, if any agreed upon, should be by competent authority(including user department) & should be properly documented
 - Orders are placed as per Co's Policy & user's requirement
 - maintained
 - Orders should be signed off on behalf of both OIL & Vendor
 - Standard Clauses as specified in case of RFQ's
5. Receiving
- Good/Services are received as per the delivery schedule specified in the Order
 - GRN is generated only after acceptance & inspection of goods
 - No time lag between Goods receipt & Inspection
 - Tagging/Identification Marking on Goods before issuing it to the user Department
 - SES is prepared as soon as services are delivered
6. Payables
- Payments are made strictly as per the terms agreed upon in the Order
 - Procedures for Invoice verification vis-a-vis Order, GRN/SES before making payment
 - Statutory Deductions like TDS, etc wherever applicable are made & remitted in time.
 - Special attention should be given to adjustment of advances, if any.
7. Closing
- Refund of Security Deposit/Discharge of Bank Guarantee, Issue of TDS certificates, etc should be by competent authority
 - Acceptance from the Vendor should be obtained before closing the order & the same should be documented
8. Others
- Cut off Procedures on quarter/year end should be monitored
 - Time involved in all the activities listed above should be reasonable
 - SAP should be updated with all relevant facts like terms, etc as soon as event occurs
 - Procedures for monitoring all open PR's/PO's/Work Order's, etc
 - Vendor Master should be analyzed for changes, etc
 - Controls should be monitored in E-Tendering environment
 - Access is restricted to competent persons only

II. FIXED ASSETS INVENTORY

- Verification of assets registers considering assets procured since inception.
- Reconciliation of fixed asset register with capital ledger.
- Physical verification of fixed assets inventory. 1/3rd of Fixed Assets already capitalized shall be verified every year in addition to 100% of additions to fixed asset. In this manner entire fixed assets shall be verified over a period of 3 years.
- Adequate procedures exist for safeguarding of fixed assets.
- Adequacy of insurance cover for fixed assets
- Check status of pending claim(s), if any
- Verify and report the cases where Fixed Assets have been retarded from active use after capitalization.
- Procedures of Discarding/Write off/Disposal of fixed assets
- Capital Work in Progress (CWIP) should be monitored vis-a-vis inventory list & installation certificate, specially at year/quarter ends
- Check Depreciation charge on fixed assets

III. EMPLOYEE (INCLUDING RETIRED) PAYMENTS REVIEW

- Payroll review
 - Recoveries
 - Disbursement
 - Variable Pay, Reimbursements, etc
- Scrutiny of all loan disbursements such as vehicle loan, house building loan, cycle advance, flood advance etc. including scrutiny of documents.
- Checking of recoveries of vehicle loans, house building loan, cycle advance, flood advance, PF loan, along with interest wherever applicable
- Checking of claims for LFA/Tours/Medical expenses and leave encashment.
- Checking of unpaid Salary/wages.
- Verify timely submission of various returns under PF Act, State's Act, etc
- Checking of time sheets with leave records. Leave encashed are appropriately reduced from the un-availed leaves
- Checking of tax recoveries. Verify statutory recoveries like PF, TDS, Professional tax etc and their remittances in time.
- Checking of overtime statements including comparison with the previous month – Number of hours vis-à-vis Department wise.
- Overtime control measures.
- Thorough checking of cheque encashment and the controls exercise.
- Access to employee Master is restricted.
- Employee master should be monitored for changes.

IV. TREASURY OPERATIONS REVIEW

1. Cash

- Physical verification of cash including imperest.
- Review of procedure employed for safeguarding cash balance on hand
- Review of average cash& bank balances maintained by the Company including idling of funds

2. Bank

- Scrutiny of Bank Reconciliation Statements with emphasis on old open items.
- Check Balance confirmation on quarter/year ends

3. Investments

- To check whether investments have been made as per investment procedure approved by the Board read with DPE guidelines.
- To check maturity of investments and accounting of interest.
- Physical verification of term deposit receipts.
- To check whether Income as well as Tax deducted thereon have been duly recognized in the Books

V. TAX RELATED REVIEW

- Payment of Service Tax & Set off for Cenvat Credit
- Professional Tax
- Payment of Statutory Dues under Labour Laws
- To check TDS as per provisions of Income Tax Act
- To review filing of TDS/VAT/Service Tax returns including Assessment by Authorities
- Examine VAT payable on Works Contract
- Examine Service Tax payable in case of Import of Services

VI. REVIEW OF BUDGETARY CONTROLS & REPORT THE STATUS OF PLANNED EXPENDITURE (Revenue & Capital)

1. Estimation

- In case of Revenue budgets, check whether the technique of zero/matrix based budgeting is being followed or not
- Revenue and Capital budgets for the entire year should be broken down to facilitates comparison with the actual on a month to month basis
- Capital budgets (including seismic, drilling and procurement of equipment & facilities) should be supported with time bound utilization plan spelling out the physical activities.

2. Approval

- Budgets (including amendment therein) are approved as per the policy

3. Utilization
 - Variance analysis (in terms of cost as well as physical activities) vis-à-vis budgets
4. Monitoring
 - Check whether the procedures for escalation of abnormal variances to the approving authority are in place
 - Necessary action is taken wherever required and the same should be documented
 - Underutilized budgets should be duly closed in the system
5. Reporting

Report quarterly on Budget versus Actual with reasons for shortfall & corrective action initiated

VII. MISCELLANEOUS REVIEW

- Scrutiny of miscellaneous claims.
- Scrutiny of payments of sundry advances and the system of clearance of advances.
- Vouching of miscellaneous payments such as rent rates, taxes, telephone bills, housing/company guesthouse etc.
- Scrutiny of vehicle utilization.
- Physical verification of assets/inventory
- To check whether delegation of powers has been strictly adhered to.
- Economy measures taken by the Project for reducing costs based on various circulars issued by the management from time to time. Comparative analysis on monthly basis the revenue expenditure of the project office separately in respect of communication expenses, local conveyance travel expenses, hired car, overtime, office expenses and compliance with Govt. guidelines.
- Inter-sphere reconciliation.
- Recoveries and / or progress in recoveries of Book Debts / outstanding claims, loans and advances particularly old / disputed dues to be monitored and reported to Audit Committee quarterly.
- Deposits / Securities etc. should be verified and balance confirmation should be obtained.
- Verification & Calculation of Guarantee fee charged by the Banks
- Review & Testing operating expenditure for significant accounts. Analytical reviews of such expenses & comparison with the budgets & previous periods amounts.
- Disposal/sale of obsolete/scrap items
- Analysis of slow moving/non moving items
- Usage of Guest House vis-à-vis Hotel accommodation

VIII. JV/ NELP REVIEW (Operated & Non Operated)

Budget

- Annual Work Plan & Budget (including amendments therein) is approved in OC/MC meetings as required by PSC/JOA
- Variance Analysis of actual performance vis-à-vis Budget
- Check the completion of Minimum Work Plan to avoid penalties, in case of Operated & Non Operated Blocks

1. Authorization Expenditure Request (AER)

- Check AERs issued by operators are approved as per PSC/JOA
- Check AERs are duly supported by Budget, Work Plan, etc
- In case of operated blocks, check AERs are submitted in time as required by PSC/JOA

2. Cash Calls

- Cash calls are raised as per PSC/JOA & approved AERs
- Cash calls are spent towards AER for which it is called
- Where there is delay in receipt of cash calls, interest is duly charged as per JOA/PSC
- Payments of cash calls are duly authorized and made in time to avoid interest in terms of JOA/PSC
- Reconcile cash calls with actual expenditure (OIL's share)

3. Others

- Verify in detail all the compliances originating from JOA/PSC in terms of physical as well as administrative requirements
- Check accounting of JVC's, specially farm in & cut back entries
- Verify allocation of Joint/Head office expenses
- Verify overall reconciliation of each block in terms of Total cost vis-à-vis OIL's share
- Check manner of discharging and accounting OIL's share in statutory dues
- Verify Reporting to statutory bodies like DGH, etc

IX. FOLLOW UP ACTION PLAN / RECOMMENDATIONS OF EARLIER PERIOD

SCOPE OF INTERNAL AUDIT – RAJASTHAN PROJECT

In addition to the Scope of work as laid down in case of Corporate Office, audit of Rajasthan Project Office should include additional Scope –

SCRUTINY OF INCOME

- Checking sales invoices for sale of Natural gas/Condensate.
- Verify adequate debits/credits notes are raised as per the “discount and penalty clause” in the agreement.
- Verify that the rates of billing are as per Govt.’s directives or agreed terms.
- Verify the receipts and conduct enquiry into the long outstanding balances.
- Verify that periodical confirmation of balances is obtained from the customers.
- Scrutiny of collection & payment of Royalty, Sales Tax & other statutory levies.
- Checking of Misc. income, MGO, etc if any

Note: It may please be noted that the above list is only indicative and not exhaustive. However the Scope may be modified/ enlarged from time to time as deemed necessary.

Periodicity of Scope of Work

The Scope of work shall be covered in a phased manner, which shall be decided with the Audit Team before taking up the Audit for every quarter having regard to the directives of Audit Committee, but tentatively the following may be considered-

| S.No | Audit Area | Sub Area | Corporate Office | Rajasthan Project |
|------|------------------------------|---------------------------------------------------|------------------|-------------------|
| 1 | Contract/ Purchase Review | Receiving, Payables & Closing | Quarterly | Quarterly |
| | | Indenting, Tendering, Evaluation & Award | Half Yearly | Half Yearly |
| | | Others | Yearly | Yearly |
| 2 | Fixed Assets | Physical Verification | Yearly | Yearly |
| | | Others | Quarterly | Quarterly |
| 3 | Employee Related | Payments | Half Yearly | Half Yearly |
| | | Others | Yearly | Yearly |
| 4 | Treasury | Cash & Bank | Quarterly | Quarterly |
| | | Investments | Quarterly | -NA- |
| 5 | Tax Related Review | | Quarterly | Quarterly |
| 6 | Budgetary Controls | | Half Yearly | Half Yearly |
| 7 | Miscellaneous | | Quarterly | Quarterly |
| 8 | JV/NELP | | Quarterly | Quarterly |
| 9 | Income | | -NA- | Quarterly |
| 10 | Follow up Action plan | | Quarterly | Quarterly |

SECTION-V
Price Bid Format

| S. no. | Particulars | FY 10-11 | FY 11-12 | FY 12-13 |
|------------------------------------------------------------------------|----------------------------------|----------|----------|----------|
| 1) | Professional Fee | | | |
| | • Corporate Office | | | |
| | • Rajasthan Project | | | |
| | Total (A) | | | |
| 2) | Estimated Out of Pocket Expenses | | | |
| | • Corporate Office | | | |
| | • Rajasthan Project | | | |
| | Total (B) | | | |
| 3) | Service Tax (C) | | | |
| 4) | Total {A+B+C} | | | |
| Total Contract Value (Sum total for FY 10-11, 11-12 & 12-13) | | | | |

Authorised

Person's Signature: _____

Name: _____

Seal of the Bidder:

Notes:

- 1) Estimated out of pocket expenses shall include Travel expenses to Corporate Office and Rajasthan Project Office. However the Local conveyance, Boarding and lodging where for the purpose of carrying out the audit, the audit team is required to move to a city which is different from the city where dealing office of the bidder is situated, shall remain excluded as the same shall be provided by OIL.
- 2) Delhi and NCR and regions within NCR (for instance Gurgaon and Noida) shall not be treated as separate cities for this purpose.
- 3) Every year audit team shall be required to make 4 (four) visits to each location for the purpose of carrying out the audit.
- 4) For the purpose of evaluation, service tax rate as on the bid closing date shall be considered. Bidders are also requested to indicate the rate of Service Tax considered in their bid.

SECTION – VI
BID REJECTION CRITERIA (BRC)/BID EVALUATION CRITERIA (BEC)

BID REJECTION CRITERIA (BRC):

A) GENERAL:

- 1.1 The bid not meeting the requirements as given Section II of this tender document will be rejected.

B) TECHNICAL:

- 1.1 Bids not submitted in specified format will summarily be rejected.
- 1.2 Bids should be submitted along with copy of Permanent Account Number and Service Tax Registration Number
- 1.3 Bidder shall have to quote for all items as specified in Section IV. Part offer will be considered as non-responsive and rejected.
- 1.4 Bids received after the bid closing date and time will be rejected. Similarly, modifications to bids received after the bid closing date and time will not be considered.
- 1.5 Bids not complying with Delivery, warranty, penalty and payment term clauses shall be rejected.

C) COMMERCIAL

- 1.1 Bids are to be submitted in triplicate under single stage composite bid system i.e., Technical as well as Commercial details together in single offer.
- 1.2 Bidders must offer firm rates in Indian Rupees only. Rates quoted by the successful bidder must remain firm during the entire period of execution of the contract and not subject to variation on any account whatsoever. A bid submitted with an adjustable price quotation will be treated as non-responsive and rejected.
- 1.3 Bids received after the scheduled bid closing date and time will be rejected outright.
- 1.4 The Bid documents are not transferable. Bids submitted by parties to whom Tender was not issued will be rejected.
- 1.5 Any bid received in the form of Telex/Cable/Fax/E-Mail will not be accepted.
- 1.6 Bids shall be typed or written in indelible ink and Original bid shall be signed by the bidder or his authorized representative on all pages, failing which the bid may be rejected.
- 1.7 Bids shall contain no interlineation, erasures or overwriting except as necessary to correct errors made by bidder, in which case such corrections shall be initialed by the person(s) signing the bid. However, white fluid should not be used for making corrections. Any bid not meeting this requirement shall be rejected.
- 1.8 Bids must be kept valid for a minimum period of 120 days from the date of scheduled bid closing. Bids with inadequate validity will be rejected.
- 1.9 Bidders must quote clearly and strictly in accordance with the Price Bid Format (Section –V) of bidding documents, otherwise the bid will be summarily rejected. The Bids in which the rates for any part of the work are not quoted shall be rejected. However, if no charge is involved for any of the item, 'NIL' should be mentioned against such part of work.

- 1.11 Bidder must accept and comply with the following clauses as given in the Bidding Document in toto, failing which offer will be rejected
 - a) Force Majeure clause
 - b) Tax liabilities clause
 - c) Arbitration clause
 - d) Applicable Law
 - e) Liquidated Damage clause
- 1.12 The Company also reserves the right to cancel/withdraw the Tender without assigning any reasons to the bidders, for which no compensation shall be paid to the bidder. The bidder must confirm their acceptance to this clause in their respective bids.

BID EVALUATION CRITERIA (BEC)

The bids conforming to the specifications, terms and conditions stipulated in the tender and considered to be responsive after subjecting to the Bid Rejection Criteria as well as verification of original of any or all documents/ documentary evidences pertaining to BRC, will be considered for further evaluation as per the Bid Evaluation Criteria given below:

- 1.0 To ascertain the inter-se-ranking, the comparison of the responsive bids will be made on Grand Total Value of the Contract as per Price Bid Format.
- 2.0 To evaluate the inter-se-ranking of the offers, all Tax/levies will be considered as per prevailing Govt. guidelines as applicable on bid closing date. Bidders may check this with the appropriate authority while submitting their offer.
- 3.0 In the event of discrepancy between the words and figure, words shall prevail and adopted for evaluation.

NOTE:

- 1.0 The Compliance statement must be filled up by bidders and to be submitted along with their bids. In case bidder takes exception to any clause of the bidding document not covered under BEC/BRC, then the Company has the discretion to load or reject the offer on account of such exception if the bidder does not withdraw/modify the deviation when/as advised by Company.
The loading so done by the company will be final and binding on the bidders. No deviation will, however, be accepted in the clauses covered under BRC.
- 2.0 To ascertain the substantial responsiveness of the bids, Company reserves the right to ask the bidder for clarification in respect of clauses covered under BRC also and such clarification fulfilling the BRC clauses in toto must be received on or before the deadline given by the company, failing which the offer will be summarily rejected.
- 3.0 If any of the clauses in the BRC contradicts with other clauses of bidding document elsewhere, then the clauses in the BRC shall prevail.

**PROFORMA - I
LETTER OF AUTHORITY**

To,

Senior Adviser(C & P)
OIL INDIA LIMITED
Plot No. 19
Sector-16 A, NOIDA
Fax No. 91-120-2488327

Sir,

Sub : OIL's Tender No. _____

We _____ confirm that Mr. _____ (Name and address) as authorized to represent us to Bid, negotiate and conclude the agreement on our behalf with you against Tender Invitation No. _____ for hiring of services for Internal Audit

We confirm that we shall be bound by all and whatsoever our said representative shall commit.

Yours Faithfully,

Signature : _____
Name : _____
Designation : _____
For & on behalf of : _____

Note : This letter of authority shall be on printed letter head of the Bidder and shall be signed by a person competent and having the power of attorney (power of attorney shall be annexed) to bind such Bidder.

PROFORMA – II

STATEMENT OF NON-COMPLIANCE (EXCEPTING BRC)

| SL. NO. | SECTION/ CLAUSE NO. | BRIEF STATEMENT | NON COMPLIANCE | REMARKS |
|---------|---------------------|-----------------|----------------|---------|
| | | | | |

We undertake that excepting above deviations all the terms and conditions in the tender document shall be fully complied with.

Signature and seal of the Bidder:.....
Name of Bidder:.....

**PROFORMA - III
BID FORM**

To

Senior Adviser(C & P)
OIL INDIA LIMITED
Plot No. 19
Sector-16 A, NOIDA
Fax No. 91-120-2488327

Sub: Tender No. : _____

Dear Sir,

Having examined the General and Special Conditions of Contract and the Terms of Reference including all attachments thereto, the receipt of which is hereby duly acknowledged, we the undersigned offer to perform the services in conformity with the said conditions of Contract and Terms of Reference for the sums stated below or such other sums as may be ascertained in accordance with the Price Bid Form attached herewith and made part of this Bid:

| Particulars | Total Bid Amount | |
|-----------------------------------------------------------------------------------------------------|------------------|-------------------|
| | Rupees in Words | Rupees in Figures |
| Sum Total of Professional Fee, estimated out of pocket expenses and service tax for all three years | | |
| | | |

We undertake, if our Bid is accepted, to commence the work within (.....) days calculated from the date of issue of Company's LOA.

We agree to abide by this Bid for a period of 120 days from the date fixed for Bid opening and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof in your notification of award shall constitute a binding Contract between us.

We understand that you are not bound to accept the lowest or any Bid you may receive.

Dated this _____ day of _____ 2010.

Signature and seal of the Bidder : _____
(In the capacity of) : _____
Name of Bidder : _____

PROFORMA – IV

CONTRACT FORM

This Contract is made on ____ day of _____ between Oil India Limited, a Government of India Enterprise, incorporated under the Companies Act 1956, having its registered office at Duliajan in the State of Assam, hereinafter called the "Company" which expression unless repugnant to the context shall include executors, administrators and assignees on the one part, and M/s. _____(Name and address of Contractor), hereinafter called the "Contractor" which expression unless repugnant to the context shall include executors, administrators and assignees on the other part,

WHEREAS the Company desires that services _____ (brief description of services) should be provided by the Contractor as detailed hereinafter or as Company may requires;

WHEREAS, Contractor engaged themselves in the business of offering such services represents that they have adequate resources and equipment, material etc. in good working order and fully trained personnel capable of efficiently undertaking the operations and is ready, willing and able to carry out the said services for the Company as per Section- __ attached herewith for this purpose and

WHEREAS, Company issued a firm Letter of Award (LOA) No. _____ based on Offer No. _____ submitted by the Contractor against Company's Tender No. _____ and Contractor accepted Company's LOA vide their letter No. _____

All these aforesaid documents shall be deemed to form and be read and construed as part of this contract. However, should there be any dispute arising out of interpretation of this contract in regard to the terms and conditions with those mentioned in Company's tender document and subsequent letters including the Letter of Award and Contractor's offer and their subsequent letters, the terms and conditions attached hereto shall prevail. Changes, additions or deletions to the terms of the contract shall be authorised solely by an amendment to the contract executed in the same manner as this contract.

NOW WHEREAS, in consideration of the mutual covenants and agreements hereinafter contained, it is hereby agreed as follows -

1. In this Contract words and expressions shall have the same meanings as are respectively assigned to them in the General Conditions of Contract referred to.

2. In addition to documents hereinabove, the following Sections attached herewith shall be deemed to form and be read and construed as part of this Contract

viz.:

(a) Section-III indicating the General Conditions of the Contract

(b) Section-IV indicating the Terms of Reference / Technical Specifications;

(c) Section-V indicating the Price Bid Format.

3. In consideration of the payments to be made by the Company to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Company to provide the Services and to remedy defects therein in conformity in all respect with the provisions of this Contract.

4. The Company hereby covenants to pay the Contractor in consideration of the provision of the Services and the remedying of defects therein, the Contract Price or such other sum as may

become payable under the provisions of this Contract at the times and in the manner prescribed by this Contract.

IN WITNESS thereof, each party has executed this contract at Noida as of the date shown above.

Signed, Sealed and Delivered,
For and on behalf of
Company (Oil India Limited)

Name :
Status :

In presence of

- 1.
- 2.

For and on behalf of
Contractor
(M/s. _____)

Name :
Status :

In presence of

- 1.
- 2.

APPENDIX I

[TO BE FILLED-UP / SUBMITTED BY THE VENDOR ON ITS LETTER HEAD FOR E-REMITTANCE]

| | | |
|----------------------------------------------------------------------------------------|---|--|
| Name | : | |
| | | |
| Address | : | |
| | | |
| | | |
| Phone Number (Land line) | : | |
| Mobile Number | : | |
| E-mail address | : | |
| Fax Number | : | |
| Bank Account Number (in which the contractor want remittances against invoices) | : | |
| Bank Name | : | |
| Branch | : | |
| Address of the Bank | : | |
| | | |
| | | |
| Bank Code | : | |
| IFSC/RTGS Code of the Bank | : | |
| NEFT Code of the Bank | : | |
| PAN Number | : | |
| Service Tax Registration Number | : | |

Signature of Vendor with Official Seal

APPENDIX II

LIST OF CHARTERED ACCOUNTANT FIRMS TO WHOM THE TENDER HAS BEEN ISSUED

1. M/s. P S D & Associates,
324, Ganpati Plaza
M. L. Road
JAIPUR-302 001
Tel : 0141-2389180 / 9929097300
E mail : prakash_psd@rediffmail.com

2. M/s. S Bhandari & Co.
P-7, Tilak Marg
Ashok Nagar, C-Scheme
JAIPUR-302 005
Tel : 0141-2385412 / 9829066300
E mail : bhandariss@hotmail.com
auditors@sify.com

3. M/s. V. Sankar Aiyar & Co.
2-C, Court Chambers
35, New Marine Lines
MUMBAI-400 020
Tel : 022-22071080 / 9820016619
E mail : mumbai@vsa.co.in
newdelhi@vsa.co.in

4. M/s. G P Kapadia & Co.
4th Floor, Hamam House
Ambalal Doshi Marg
Fountain, Fort
MUMBAI-400 001
Tel : 022-22654239 / 9820518473
E mail : info@gpkco.com
gpkco@yahoo.com

5. B K Khare & Co.
708, Sharda Chambers
New Marine Lines
MUMBAI-400 020

Tel ; 022-22006360 / 9820237987
E mail : santoshparab@bkkhareco.com

6. M/s. Suresh Chandra & Associates
610, New Delhi House
27, Barakhamba Road
NEW DELHI-110 001
Tel : 011-43695501 / 4369551 / 9811036213
E mail : sca1954@yahoo.in

7. M/s. Mehra Goel & Co.
505, Chiranjiv Tower
Nehru Place
NEW DELHI-110 019
Tel : 011-26419527 / 2643034
E mail : mg@mehragoelco.com

8. M/s. K K Soni & Co.
130, Sarojini Market
NEW DELHI-110 23
Tel : 011-24673254 / 268808 / 9810908668
E mail : santsujat@kksoni.com
: santsujat@rediffmail.com

9. M/s. Thakur Vaidyanath Aiyar And Co.
221-223, Deen Dayal Marg
NEW DELHI-110 002
Tel : 011-23236958
E mail : tvande@rediffmail.com

10. M/s. S C Ajmera & Co.
18, Technocrat Housing Society
Moti Nagri Scheme
UDAIPUR-313 004
Tel : 0294-242505 / 32911 / 9414168501
E mail : sca_ca@yahoo.com
ajmerasc@gmail.com

11. M/s. PricewaterhouseCoopers Pvt. Ltd.
Building 8, 7th & 8th Floor
Tower B, DLF Cyber City

GURGAON-122 002(Haryana)
Tel : 91124-4620000 / 3060000
Kind Attn : Mr. Harpreet Singh
E mail : harpreet.singh@in.pwc.com

12. M/s. Deloitte Touche Tohmatsu India pvt. Ltd.
Building 10, 7th Floor
Tower B, DLF Cyber City complex
DLF City Phase-II
GURGAON-122 002(Haryana)
Tel : 91124-679 2000
Kind Attn : Mr. Y Gupta /Mr. Amitab kumar
E mail : ygupta@deloitte.com
: amitabkumar@deloitte.com

13. M/s. KPMG
Building 10, 8th Floor
Tower B, DLF Cyber City, Phase-II
GURGAON-122 002(Haryana)
91124-3074 000
Kind Attn : Mr. Ankit Dewan
E mail : ankitdewan@kpmg.com

14. M/s. Ernst & Young Pvt. Ltd.,
Building 8, 1st Floor, Tower A,
DLF Cyber City; Phase-2, Sector – 25
Gurgaon-122002 (Haryana)
Tel : 91-124-4575000
Kind Attn : Mr. Rajiv Puri/Mr. Sidheshwar Bhalla
E mail : rajiv.puri@in.ey.com
sidheshwar.bhalla@in.ey.com
