

Enquiry No : OIL/62/7/ENQ-418
Enquiry Date: 6th August 2009
Closing Date: 19.08.2009(14.30 hrs)
Opening Date: 19.08.2009(14.30 hrs)
Bid Security: Not applicable
Performance
Security Deposit: Not applicable
Delivery: Required by 15.09.2009

Sirs,

We invite you to submit your firm quotation for providing Directors' & Officers' Liability Insurance with Public Issue Extension including Entity Security Cover as specified in the enclosed Annexure A, AI, B & C. Your special attention is drawn to the following:

- 1.0 Your offer must include the following and must be submitted in sealed envelope superscribing the above Tender No. & Bid closing date, addressed to Senior Advisor (C&P), Oil India Limited, Plot No 19, Sector 16-A, NOIDA-201301 within the stipulated date and time mentioned above:
 - (i) Enquiry No & Date
 - (ii) Full description of the services offered
 - (iii) Any deviation in specification
 - (iv) Lump sum fee/premium for coverage
 - (v) Bid Validity of minimum 60 days from the date of bid opening.
 - (vi) Taxes/VAT, as applicable. (If taxes are not shown separately, the offer will be considered to be inclusive of all taxes, duties etc.
- 2.0 In the event of your inability to quote, please send your "Regret Advice" for our record, failure of which may lead to deletion of your name from the vendor list.
- 3.0 In complete quotations will be summarily rejected.

Yours faithfully
OIL INDIA LIMITED

Chief Manager (Materials)
For Chairman & Managing Director

Enc: as above

SCOPE OF COVERAGE AND THE TERMS AND CONDITIONS OF INSURANCE COVER

DIRECTORS' & OFFICERS' LIABILITY INSURANCE WITH PUBLIC ISSUE EXTENSION INCLUDING ENTITY SECURITY COVER

I. SCOPE

Insurance Cover shall provide protection against potential liabilities arising from each of the following amongst others:

- i) (a) Liability of each and every individual Director and Officer of OIL arising out of any award, judgements, settlements, civil fines and penalties etc. awarded against a Director or Officer.

(b) Liability of the individual outside Directors of OIL (including officers nominated by OIL as Directors in other entities) and Officers of the Ministry of Petroleum & Natural Gas, Government of India, if any, associated with Public Issue of shares of OIL.
- ii) Liability of OIL where it has indemnified the individuals as referred to above.
- iii) Liability against OIL with respect to Securities – the forthcoming Initial Public Offering of 2,64,49,982 shares of OIL, employer related claims arising out of any award, judgements settlements, civil fines and penalties.
- iv) The cost & legal expenses towards defending a potential action or allegation.

II. EXTENSIONS:

- (i) Spousal Liability Coverage
- (ii) Heirs, Estates & Legal Representatives.
- (iii) Employment claim
- (iv) Employment Practices Liability
- (v) Entity Employment Practices Liability extension cover upto Rs. 1 crore*
- (vi) Retired Directors & Officers
- (vii) Outside Directorship (including officers nominated by OIL as Directors in other entities)
- (viii) Bump up inclusion e.g Acquiring of new plant or new subsidiaries
- (ix) Worldwide Jurisdiction
- (x) Insured Vs Insured defense costs
- (xi) Crisis communication cover upto Rs.1 crores*

Note: *(These would be the sub-limit within the overall indemnity limit of Rs.100 crores as mentioned in Para VII).

III. EXCLUSIONS:

The exclusions/deviations and other conditions be provided in the enclosed Format attached as Annexure "A-I"

IV. The policy shall cover all the liabilities arising in India as well as any other country world wide.

V. POLICY PERIOD

The Insurance Policy period shall be for one year term from the date of payment of premium and premium shall be paid annually. The risks would be covered from the

retroactive date 14.12.2007. The insurer will have no right to cancel the policy before the expiry of the policy period. Any stipulation in the regard in the policy terms and conditions shall be deemed to be null and void.

VI. INSURED

The policy shall provide cover to OIL, its Directors, Company Secretary, Officers and Employees (only for employee related claims) and outside Directors of OIL(including officers nominated by OIL as Directors in other entities). The policy shall also cover the officials of the Ministry of Petroleum & Natural Gas, Government of India, if associated with the Public Issue of shares of OIL.

VII. LIMIT OF INDEMNITY /SUM INSURED

The limit of indemnity shall be Rs.100 crores (Rupees one hundred crores only)

VII. EXCESS

The amount of policy excess shall be "nil" for personal liabilities arising on an individual insured (as per para VI above)

In case of losses to the Company, the excess amount would be 1% of the claim subject to a minimum of Rs.20 lacs for claims arising in USA and Rs. 5 lacs for claims in any other country including India.

IX. ORDER OF PAYMENT

The policy shall provide for payment of insurance proceeds first towards the liabilities of the individual insured (as per para VI above) and the balance towards the liabilities of OIL.

X. ADVANCEMENT OF DEFENSE COSTS

The policy shall provide for the payment of defense cost by the insurer in advance to the insured parties.

XI. SUBSIDIARIES

The policy would extend coverage to the Directors and Officers & Employees (only in respect of employment claims) of both the existing subsidiaries as well as future subsidiaries.

XII. RETROACTIVE DATE

The policy would provide for a retroactive cover starting w.e.f 14.12.2007

XIII. EFFECT & JURISDICTION

The Insurance Policy shall be considered as having come into force from the retroactive date as per para XII above.

The laws applicable to this insurance policy shall be the laws in force in India. The courts of Delhi shall have exclusive jurisdiction in all matters.

XIV. RESOLUTION OF DISPUTES & ARBITRATION

Any dispute (s) or difference (s) arising out of or in connection with the insurance policy shall be to the extent possible be settled amicably between the parties.

All disputes or differences of which in respect of which the decision, if any has not become final or binding as aforesaid shall be settled under the provisions of Arbitration and Conciliation Act, 1996 and its subsequent amendments. Delhi courts shall have exclusive jurisdiction in the matter. The Arbitrator shall give reasoned award.

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DEVIATIONS / EXCLUSIONS SCHEDULE

REF NO
DATE

BIDDER'S NAME AND ADDRESS

Dear Sir

We declare that the following are the only deviations and variations and exceptions / exclusions to the Insurance Coverage and services as outlined in your Bidding Document. Except these deviations, subject to the approval and acceptance by OIL, the Insurance Coverage and Services shall be provided as per your requirements ad bidding documents. Further, we agree that the additional conditions, if any found elsewhere in the offer other than those stated below, save those pertaining to any rebates/discount offers, shall not be given effect to :

STATEMENT OF DEVIATIONS & VARIATIONS/EXCLUSIONS	COST OF WITHDRAWAL OF DEVIATIONS AND VARIATIONS / EXCLUSIONS

DATE

PLACE

SIGNATURE
NAME

DESIGNATION/SEAL

ANNEXURE B

FORMAT FOR SUBMISSION OF FINANCIAL BIDS

We hereby offer our Price Quotes for Directors' & Officers' Liability Insurance with Public Issue Extension including Entity Security cover as specified in Scope of Coverage and terms and conditions:

COVERAGE	LIMIT	PERIOD	PREMIUM RATE	TOTAL PREMIUM
DIRECTORS & OFFICERS LIABILITY INSURANCE WITH PUBLIC ISSUE EXTENSION INCLUDING ENTITY SECURITY COVER AL ALL OTHER EXTENTIONS AND CONDITIONS AS SPECIFIED IN SCOPE OF COVERAGE AND TERMS AND CONDITIONS	RS 100 CRORES	ONE YEAR		
TOTAL (IN FIGURES)				

TOTAL PREMIUM IN WORDS;

(1) POLICY EXCESS / RETENTION AMOUNT:

- (A) Nil for personal liabilities arising on individual Insured as mentioned at Para VI of the Scope of Work and Terms & Conditions.
- (B) In case of losses to the Company the excess amount would be 1% of the Claim subject to a minimum of Rs.20 lacs for claims arising in USA and Rs. 5 lacs for claims in any other country including India.

The policy shall cover all the liabilities arising in India as well as any other country.

DATE

PLACE

SIGNATURE

NAME

DESIGNATION/SEAL

ANNEXURE C

FOR THE PRICE QUOTES:

Premium rates and the total premium to be quoted by the Bidders will be in Indian Rupees only on firm price basis and shall remain valid during the currency of the Policy Cover.

The Bidders shall quote the Premium Rate and Total Premium as per Annexure-B. The total premium will be inclusive of all expenditure to be incurred by the bidders and inclusive of all applicable taxes, service tax and surcharge, duties, levies and variations thereof. But taxes/duties as applicable should be indicated separately. No expenditure other than those quoted in the Bid Proposal sheet shall be entertained by OIL on any account.

The prices shall be indicated both in figures and in words. In case of any discrepancy found in prices mentioned in figures and words, the figure mentioned in words shall prevail. The total amount shall be calculated and rounded off to the nearest rupee.

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LIST OF THE PARTIES TO WHOM THE ABOVE TENDER HAS BEEN ISSUED

ICICI Lombard Insurance Company Ltd.,
3rd Floor, 23, Narayan Manzil,
Barakhamba Road,
New Delhi – 110 001

Reliance General Insurance Co.Ltd.,
202-210, 2nd Floor, Mercantile House,
15, K G Marg,
New Delhi-110 001

Royal Sundaram Alliance Insurance Co.Ltd.,
1505-1506, 15th Floor, Ambadeep Building,
14, K G Marg, Connaught Place,
New Delhi-110 001

The New India Assurance Company Ltd.,
Delhi Regional Office-I,
Jeevan Bharti Building, Tower-II, Level-5,
124, Connaught Circus,
New Delhi-110 001

The Oriental Insurance Company Ltd.,
Oriental House, A-25/27, Asaf Ali Road,
New Delhi – 110 002

National Insurance Company Limited,
Delhi Regional Office,
Jeevan Bharti Building, Level-2, Tower-II,
124, Connaught Circus,
New Delhi – 110 001

United India Insurance Co.Ltd.,
8th Floor, Kanchenjunga Building,
18, Barakhamba Road,
New Delhi – 110 001

Tata AIG General Insurance Company Limited,
1st Floor, Lotus Towers,
Community Centre, New Friends Colony,
New Delhi – 110 025

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