



OIL INDIA LIMITED
(A Govt. of India Enterprise)
KG Basin Project
D.No.11-4-7; 3RD FLOOR,
NOOKALAMMA TEMPLE STREET
RAMARAOPETA, KAKINADA-533004
ANDHRA PRADESH, INDIA

TEL: (91) 884-2302176
E-mail: kgbasin@oilindia.in
FAX: (91) 884-2352383
Website: www.oil-india.com

SECTION-I

FORWARDING LETTER

M/s _____

SUB: Tender No. ECP6385L18 for Hiring of Block Auditor for its Exploration Block KG-ONN-2004/1, to carry out the Accounts Audit for the FY 2017-18 & 2018-19.

Dear Sirs,

- 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, Sudan etc.
- 2.0 Oil India Limited, KG Basin Project intends to appoint Block Auditor for its Exploration Block KG-ONN-2004/1, to carry out the Accounts Audit for the FY 2017-18 & 2018-19. The contract shall be on a yearly basis for a period of two years and may be extended for further period of one year subject to the approval of Directorate General of Hydrocarbons, New Delhi.
- 3.0 The broad procedure of maintaining the Accounts and the scope of Audit is described under the Production Sharing Contract (PSC) under which the Audit Report is to be prepared. The Accounting Procedure of the PSC is enclosed as **Annexure-1**.
- 4.0 The audit is required to be carried out on such a manner that the Final Report is issued by not later than 15th May of next Accounting year.
- 5.0 The Chartered Accountant 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 fees amount before quoting, **in last three years, the Block Auditor** had devoted 8 man-days in Conducting audit and about 4 man-days in finalising the report. The quantum of job shall be around the same level.

TENDER NO. ECP6385L18

- 6.0 The estimated project outlay for the year 2017-18 shall be around Rs. 675 crores. However, for the year 2018-19, it shall be around Rs. 400 Crores.
- 7.0 The estimation of volume of job and man days is a simple guess under the situations prevailing on the day of issuing this Tender Document and the Bidders are required to make their own Risk Assessment before quoting for the fees.
- 8.0 The firms may familiarize themselves with the involvement before quoting their professional fee. Any clarification required on the same, can be obtained from Shri U. Chakraborty, G.M. (F & A) i/c Tel : 0884-2302199 (PBX), 2302178 (D), e-Mail : uttam@oilindia.in
- 9.0 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	:	ECP6385L18
(ii) TYPE OF BID	:	Single Stage Composite Bid System
(iii) BID CLOSING DATE & TIME	:	20.12.2017 (at 3.00PM)
(iv) BID OPENING DATE & TIME	:	20.12.2017 (at 3.00PM)
(v) BID SUBMISSION PLACE	:	Bid should be submitted on/or before the Bid Closing date & time at the following address: OIL INDIA LIMITED (A Govt. of India Enterprise) Door No. 11-4-7 (3 rd Floor), Nookamma Temple Street Ramaraopet, Kakinada-533004, Andhra Pradesh
(vi) BID OPENING PLACE	:	At above place.
(vii) DURATION OF ASSIGNMENT	:	Two years with a condition that initially agreement shall be valid for one year and may be extended for further period of one/two years depending on the performance and acceptance by Regulator i.e. Director General of Hydrocarbons.
(ix) BIDS TO BE ADDRESSED TO	:	Executive Director (KGB & BEP) Oil India Limited, Door No. 11-4-7 (3 rd Floor), Nookamma Temple Street Ramaraopet, Kakinada-533004, Andhra Pradesh

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

11.0 The Company 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.

Thanking you,

Yours faithfully,
OIL INDIA LIMITED

- sd-

(A.Baruah)

Manager Materials

for General Manager (C&P)

for Executive Director (KGB & BEP)

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. Duration of the Contract
- b) Instructions to Bidders (Section-II)
- c) Scope of Work (Section-III)
- d) Bid Evaluation Criteria/Bid Rejection Criteria(BEC/BRC)(Section-IV)
- e) Price Bid Format (Section-V)

- 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 shall 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-III**

8.0 **PERIOD OF VALIDITY OF BIDS:**

- 8.1 Bids shall remain **valid for 90 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 or e-mail). 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 2 (TWO) copies of the bid clearly marking original "ORIGINAL BID" and other as "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 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.
- 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 15.00 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 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, in-consistent 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 (Proforma A) provided in the Bidding Documents, along with 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 Kakinada, Andhra Pradesh 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 Kakinada 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

SCOPE OF WORK

1. The Auditor appointed shall carry out the assignment as per generally accepted Accounting Practices keeping in view the provisions of Accounting as per the Joint Operating Agreement (JOA) with Co-venturers. The General Provisions of Accounting procedure of JOA are as under:-

2. **JOINT ACCOUNTING RECORDS AND CURRENCY EXCHANGE**

Operators shall maintain accounting records for the Joint Account in the English Language in accordance with generally accepted accounting practices used in the petroleum industry and in such a manner that all expenditures will be segregated or can be allocated to appropriate areas in connection with the Petroleum Operations. Joint Account records shall be maintained in the Operator's office in India, and stated in United States Dollars and Indian Rupees. Expenditures other than United States Dollars or Indian Rupees shall be translated into United States Dollars and charged as United States Dollar expenditures. Unless mutually agreed otherwise by the parties, translation of non United States Dollars expenditure into United States Dollars and United States Dollars Expenditures into Indian Rupees shall be as follows:

- (A) Expenditure of currencies purchased by the operator for the Joint Account with United States Dollars shall be translated back into United States Dollars at the rate of exchange at which the currency was purchased with individual currency purchased deemed to be utilized on a first in first out basis to provide the funds expended.
- (B) Indian Rupees advanced pursuant to Indian Rupee calls shall be translated into United States Dollars at the monthly average of the daily mean of the buying and selling rates of exchange as quoted by State Bank of India (or any other financial body as may be mutually agreed by the parties) for the month in which the revenues, costs, expenditures, receipts or income are recorded. However, in case of any single non-US Dollar transaction in excess of the equivalent of fifty thousand United States Dollars (US\$ 50,000), the conversion into United States Dollars shall be performed on the basis of the average of the applicable rates for the day on which the transaction occurred.
- (C) Expenditures of United States Dollars advanced pursuant to United States Dollars Cash Calls shall be translated into Indian Rupees using the applicable exchange rate for the month of disbursement based on the current procedure that the operator uses to translate United States Dollars as specified in clause (B) above. The intent of the procedures outlined in Paragraph 2 of this Article I is to minimize any gain or loss on exchange chargeable to the Joint Account. It is agreed, however, that any loss or gain resulting from the exchange of currency required for the use of the Joint Operations or from the translation above listed, shall be charged or credited to the Joint Account. The matter of translation rates shall be reconsidered if it is determined that the above methods result in inequities, or burdensome administration, or do not provide the proper value for stating expenditure under the terms of the Agreement.

SECTION-IV

BID REJECTION CRITERIA (BRC)/BID EVALUATION CRITERIA (BEC)

BID REJECTION CRITERIA (BRC)

The bid shall conform generally to the specifications and terms and conditions given in the bidding documents. Bids will be rejected in case services offered do not conform to the required parameters stipulated in the technical specifications. Notwithstanding the general conformity of the bid to the stipulated specifications, the following requirements will have to be particularly met by the bidder(s) without which the same will be considered as non-responsive and rejected.

1) TECHNICAL:

Bids shall accompany the detailed Bio-Data of the persons who would be involved in carrying out the audit. Team Leader must have a minimum of five years of post-qualification (CA) experience and well versed in Auditing under SAP R/3 environment. DISA / CISA qualification will be preferred. Firms should also specify their experience in Audit in Oil & Gas Sector.

2) COMMERCIAL

A) 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.

B) 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.

C) Bids received after the scheduled bid closing date and time will be rejected outright.

D) The Bid documents are not transferable. Bids submitted by parties to whom Tender was not issued will be rejected.

E) Any bid received in the form of Telex/Cable/Fax/E-Mail will not be accepted.

E) 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.

F) 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.

G) Bids must be kept valid for a minimum period of 90 days from the date of scheduled bid closing. Bids with inadequate validity will be rejected.

BID EVALUATION CRITERIA (BEC)

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

- a) 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.
- b) 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.
- c) In the event of discrepancy between the words and figure, words shall prevail and adopted for evaluation.

SECTION - V**PRICE BID FORMAT**

S. no.	Particulars	FY 17-18	FY 18-19
1)	Professional Fee(A)		
2)	Estimated Out of Pocket Expenses(B)		
3)	GST (C)/IGST		
	Total {A+B+C}	P	Q
	Total Contract Value for 2 years=P+Q		

**Authorized
Person's Signature:** _____

Name: _____

Seal of the Bidder:-----

Notes:

- 1) Estimated out of pocket expenses shall include Travel expenses to Oil India Ltd, Kakinada. 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) For the purpose of estimating, GST rate as of today shall be considered. Further change(s), if any, in the rate of GST during the currency of the Contract shall be adjusted accordingly.

CONTRACT FORM

This Agreement 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-II attached herewith for this purpose and

WHEREAS, Company had issued a firm Letter of Award No. _____ dated _____ based on Offer No. _____ dated _____ submitted by the Contractor against Company's Tender No. ----- . All these aforesaid documents shall be deemed to form and be read and construed as part of this agreement/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 Bid Document and subsequent letters including the Letter of Intent 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 authorized 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 Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.
2. In addition to documents herein above, the following Sections and Annexures attached herewith shall be deemed to form and be read and construed as part of this agreement viz.:

- (a) Section-II indicating the Terms of Reference/ Scope of Work
- (b) Section-IV indicating the Schedule of Rates;

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 ----- as of the date shown above.

Signed, Sealed and Delivered,

For and on behalf of
Company (Oil India Limited)

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

Name:
Status:
In presence of
1.
2.

Name:
Status:
In presence of
1.
2.

The above OIL's NIT has been addressed to the following parties:

- i) M/s. M. Bhaskara Rao & Co
- ii) M/s. T.R. Chadha & Co.
- iii) M/s. M.R. Narain & Co.
- iv) M/s. R. Subramanian & Company.
- v) M/s. S. Rajagopalan Associates.
- vi) M/s. SRB Associates
- vii) M/s. Varma & Varma

Interested Parties having relevant experience and expertise, other than the above may also apply for issue of NIT documents. Such application must reach us on or before **05.12.2017** at our e-mail id: KGBasin@oilindia.in/abhishek_baruah@oilindia.in. The application must be complete in all respects and the same should accompany all the requisite documents as indicated in the Bidder's eligibility criteria of the NIT, failing which the application will be considered as rejected:

ACCOUNTING PROCEDURESECTION 1GENERAL PROVISIONSPurpose

Generally, the purpose of this Accounting Procedure is to set out principles and procedures of accounting which will enable the Government of India to monitor effectively the Contractor's costs, expenditures, production and income so that the Government's entitlement to Profit Petroleum can be accurately determined pursuant to the terms of the Contract. More specifically, the purpose of the Accounting Procedure is to:

- classify costs and expenditures and to define which costs and expenditures shall be allowable for cost recovery and profit sharing and participation purposes;
- specify the manner in which the Contractor's accounts shall be prepared and approved; and
- address numerous other accounting related matters.

This Accounting Procedure is intended to apply to the provisions of the Contract and is without prejudice to the computation of income tax under applicable provisions of the Income-Tax Act, 1961, as amended.

Definitions

For purposes of this Accounting Procedure, the terms used herein which are defined in the Contract shall have the same meaning when used in this Accounting Procedure.

Inconsistency

In the event of any inconsistency or conflict between the provisions of this Accounting Procedure and the other provisions of the Contract, the other provisions of the Contract shall prevail.

Documentation and Statements to be submitted by the Contractor

Within ninety (90) days of the Effective Date of the Contract, the Contractor shall submit to and discuss with the Government a proposed outline of charts of accounts, operating records and reports, which outline shall reflect each of the categories and sub-categories of costs and income specified in Sections 2 and 3

and shall be in accordance with generally accepted standards and recognized accounting systems and consistent with normal petroleum industry practice and procedures for joint venture operations.

Within ninety (90) days of receiving the above submission, the Government shall either provide written notification of its approval of the proposal or request, in writing, revisions to the proposal.

Within one hundred and eighty (180) days from the Effective Date of the Contract, the Contractor and the Government shall agree on the outline of charts of accounts, records and reports which shall also describe the basis of the accounting system and procedures to be developed and used under this Contract. Following such agreement, the Contractor shall expeditiously prepare and provide the Government with formal copies of the comprehensive charts of accounts, records and reports and allow the Government to examine the manuals and to review procedures which are, and shall be, observed under the Contract.

1.4.2

Notwithstanding the generality of the foregoing, the Contractor shall make regular Statements relating to the Petroleum Operations as follows:

- (i) Production Statement (see Section 5 of this Accounting Procedure).
- (ii) Value of Production and Pricing Statement (see Section 6 of this Accounting Procedure).
- (iii) Statement of Costs, Expenditures and Receipts (see Section 7 of this Accounting Procedure).
- (iv) Cost Recovery Statement (see Section 8 of this Accounting Procedure).
- (v) Profit Sharing Statement (see Section 9 of this Accounting Procedure).
- (vi) Local Procurement Statement (see Section 10 of this Accounting Procedure).
- (vii) End of Year Statement (see Section 11 of this Accounting Procedure).
- (viii) Budget Statement (see Section 12 of this Accounting Procedure).

1.4.3

All reports and Statements shall be prepared in accordance with the Contract and the laws of India and, where there are no relevant provisions in either of these, in accordance with generally accepted practices in the international petroleum industry.

1.4.4

Each of the entities constituting the Contractor shall be responsible for maintaining its own accounting records in order to comply with all legal requirements and to support all returns or any other accounting reports required by any Government authority in relation to the Petroleum Operations. However, for the purposes of giving effect to this Accounting Procedure, the Party constituting the Contractor who is the Operator shall be responsible for maintaining, at its business office in India, on behalf of the Contractor, all the

accounts of the Petroleum Operations in accordance with the provisions of the Accounting Procedure and the Contract.

1.5

Language and Units of Account

All accounts, records, books, reports and Statements shall be maintained and prepared in the English language using mercantile basis of accounting. The accounts shall be maintained in United States Dollars, which shall be the controlling currency of account for cost recovery, and profit sharing purposes. Metric units and Barrels shall be employed for measurements required under the Contract. Where necessary for clarification, the Contractor may also maintain accounts and records in other languages, currencies and units.

1.6

Currency Exchange Rates

1.6.1

For conversion purposes between United States Dollars and Indian Rupees or any other currency, the monthly average of the daily mean of the buying and selling rates of exchange as quoted by the Reserve Bank of India (or any other financial body as may be mutually agreed by the Parties) for the Month in which the revenues, costs, expenditures, receipts or income are recorded, shall be used. However, in the case of any single non-US Dollar transaction in excess of the equivalent of fifty thousand (50,000) US Dollars, the conversion into US Dollars shall be performed on the basis of the average of the applicable exchange rates for the day on which the transaction occurred.

1.6.2

Any realized or unrealized gains or losses from the exchange of currency in respect of Petroleum Operations shall be credited or charged to the accounts. A record of the exchange rates used in converting Indian Rupees or any other currencies into United States Dollars as specified in Section 1.6.1 shall be maintained by the Contractor and shall be identified in the relevant Statements required to be submitted by the Contractor in accordance with Section 1.4.2.

1.7

Payments

1.7.1

Subject to Article 20.3 of the Contract and the foreign exchange laws and regulations prevailing from time to time, all payments between the Parties shall, unless otherwise agreed, be in United States Dollars and shall be made through a bank designated by each receiving Party.

7.2

Unless otherwise specified, all sums due under the Contract shall be paid within forty five (45) days from the date on which the obligation to pay was incurred.

7.3

All sums due by one Party to the other under the Contract during any Month shall, for each day such sums are overdue during such Month, bear interest compounded daily at the applicable LIBOR plus two (2) percentage points.

Arms Length Transactions

Unless otherwise specifically provided for in the Contract, all transactions giving rise to revenues, costs or expenditures which will be credited or charged to the accounts prepared, maintained or submitted hereunder shall be conducted at arms length or on such a basis as will assure that all such revenues, costs or expenditures will not be lower or higher, as the case may be, than would result from a transaction conducted at arms length on a competitive basis with third parties.

Audit and Inspection Rights of the Government

Without prejudice to statutory rights, the Government, upon at least twenty (20) Business Days advance written notice to the Contractor, shall have the right to inspect and audit, during normal business hours, all records and documents supporting costs, expenditures, expenses, receipts and income, such as the Contractor's accounts, books, records, invoices, cash vouchers, debit notes, price lists or similar documentation with respect to the Petroleum Operations conducted hereunder in each Year, within two (2) years (or such longer period as may be required in exceptional circumstances) from the end of such Year.

The Government may undertake the conduct of the audit either through its own representatives or through a qualified firm of recognised chartered accountants, registered in India or a reputed consulting firm, appointed for the purpose by the Government and the costs of audit in case of Government auditor(s) shall be borne by the Government, where as for outside auditor(s), this shall be borne by the Contractor as a General and Administrative Cost.

In conducting the audit, the Government or its auditors shall be entitled to examine and verify, at reasonable times, all charges and credits relating to the Contractor's activities under the Contract and all books of account, accounting entries, material records and inventories, vouchers, payrolls, invoices and any other documents, correspondence and records considered necessary by the Government to audit and verify the charges and credits. The auditors shall also have the right, in connection with such audit, to visit and inspect, at reasonable times, all sites, plants, facilities, warehouses and offices of the Contractor directly or indirectly serving the Petroleum Operations, and to physically examine other property, facilities and stocks used in Petroleum Operations, wherever located and to question personnel associated with those operations. Where the Government requires verification of charges made by an Affiliate, the Government shall have the right to obtain an audit certificate from an internationally recognized firm of public accountants acceptable to both the Government and the Contractor, which may be the Contractor's statutory auditor. Submission of the audit certificate, shall in no way relieve or diminish the

responsibility of the Contractor for the compliance with the obligations under the Contract.

1.9.4 Any audit exceptions shall be made by the Government in writing and notified to the Contractor within one hundred and twenty (120) days following completion of the audit in question.

1.9.5 The Contractor shall answer any notice of exception under Section 1.9.4 within one hundred and twenty (120) days of the receipt of such notice. Where the Contractor has, after the said one hundred and twenty (120) days, failed to answer a notice of exception, the exception shall prevail and deemed to have been agreed to by the Contractor.

1.9.6 All agreed adjustments resulting from an audit and all adjustments required by prevailing exceptions under Section 1.9.5 shall be promptly made in the Contractor's accounts and any consequential adjustments to the Government's entitlement to Petroleum shall be made within thirty (30) days therefrom.

1.9.7 Notwithstanding any reference to a Sole Expert or Arbitration in accordance with the provisions of the Contract, in case any amount is claimed as due to the Government resulting from the audit exception but not accepted or settled by the Contractor, then the Contractor shall deposit such claimed amount in a escrow account to be opened with a financial institution, failing mutually agreed agreement with State Bank of India within thirty (30) days from the date when the amount is disputed by the Contractor. The amount in escrow account along with any interest accumulated thereon shall be appropriated or adjusted in accordance with the decision or award of the Sole Expert or Arbitral Tribunal as may be or otherwise as mutually agreed to between the Parties.

1.9.8 If the Contractor and the Government are unable to reach final agreement on proposed audit adjustments, either Party may refer any dispute thereon to a sole expert as provided for in the Contract. So long as any issues are outstanding with respect to an audit, the Contractor shall maintain the relevant documents and permit inspection thereof until the issue is resolved.

1.10 Revision of the Accounting Procedure

By mutual agreement between the Government and the Contractor, this Accounting Procedure may be revised from time to time, in writing, signed by the Parties, stating the date upon which the amendments shall become effective.



