

# MODEL CONTRACT FOR CHARTER HIRE OF RIGS (Off-shore)

## DRILLING AGREEMENT WITH GENERAL TERMS AND CONDITIONS

THIS AGREEMENT, made and entered into .....day of .....19 , between OIL & NATURAL GAS CORPORATION LTD., incorporated under the Companies Act, 1956 having its Registered office at Jeevan Bharti, Tower - II, 124 Connaught Circus, New Delhi - 110001, India, and its .... Regional Business Centre at ....., India (hereinafter referred to as 'Operator', which expression shall include its successors and assignees) on the one part and ..... a Company organised and existing under the laws of Company's Act 1956 and having its registered office at .....(hereinafter referred to as 'Contractor', which expression shall include its successors and permitted assignees) on the other part.

### WITNESSETH

WHEREAS, Operator desires to have drilling operations conducted in the offshore waters of India, as may be designated by Operator, AND WHEREAS, Contractor is owner of " \_\_\_\_\_ " (hereinafter referred to as "Drilling Unit") and willing to perform such drilling operations on charter hire basis with Drilling Unit and its personnel as per Exhibit

### OR

Contractor has taken on lease the Rig ..... (hereinafter referred to as 'Drilling Unit') from .....for .....years sufficient to cover the duration of this agreement and willing to perform such drilling operations with the Drilling Unit and its personnel as per Exhibit '...'. Contractor undertakes to get the lease period extended if the Agreement is extended to perform the drilling operations during the extended period.

Whereas, the Contractor confirms that it has the approval No..... dated ..... of the Government of India permitting it to enter into a Joint Venture/Technical Collaboration for rendering offshore drilling services in India and whereas the Contractor has entered into an Agreement with ..... on ..... (copy enclosed at Exhibit.....) and this Agreement is subsisting and is valid upto ..... i.e. covering the primary term of this Agreement for providing sufficient technical/management back up support for drilling operations under this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter provided, it is hereby agreed as follows:-

## 1.0 TERM

### 1.1 COMMENCEMENT DATE

This Agreement is effective as of.....(i.e. date of issue of firm and unconditional telex order by Operator) and shall commence when the:

- (i) Drilling Unit, ready in all respects at the first drilling location nominated and made ready in all respects by operator, is ready for pinning down at the nominated location/Running of anchors herein referred to as commencement date. If time taken from pinning down till skidding of cantilever is more than 24 hours for jackups)/running of

anchors is more than 48 hours (for floaters), the contractor shall be paid zero rate for any such excess time. However, any time lost due to location not being ready shall be paid at Non-Operating Rate.

Further, in case the Drilling Unit is under automatic extension for the completion of well/wells-in-progress under previous contract with ONGC, and/or the mobilisation period of 180 days (for Indian parties)/120 days (for foreign parties) falls between the monsoon period (i.e. between 15th May and 15th Sept.), the mobilisation period of 180/120 days will be extended by the operator, until completion of well/wells-in-progress and/or until the end of monsoon i.e. 15th Sept. and the commencement date shall stand extended upto 30th Sept.

OR

- (ii). When the Drilling Unit is ready to commence tow to the first drilling location, Contractor shall serve on Operator 5 days notice of such readiness from nearest harbour or within a radius of 20 Kms of the harbour. If at the expiry of the notice period the operator has not supplied the AHTSV (Anchor Handling Tug Supply Vessels) for the Tow, the Contract shall be deemed to have commenced from the expiry of the notice and non-operating rate shall be payable until operator supplied AHTSVs have connected the tow. However, the cost of the AHTSVs for towing shall be at Contractor's account.

## 1.2 EXPIRY DATE

This Agreement shall come to an end if before the expiry of the term of the Agreement:

- (a) The drilling of the last well is completed/terminated or the well is abandoned and all equipment belonging to Operator or its third parties are off-loaded and the drilling unit is:-
1. Ready for Jack down
- OR
2. Floater is ready for pulling its last anchor
- (b) Subject to availability AHTSV shall be provided for towing of rig to sheltered water or any other demobilisation point, mutually agreed, at Contractor's cost.

## 1.3 DURATION

- (a) This Agreement shall initially be for a period (Primary Term) of two years/three years from commencement date. (Remaining part of provision deleted vide BL/03/02 dated 24.3.2000)
- (b) The Agreement will be automatically extended, under the same rates, terms and conditions to cover the time necessary to complete or abandon, to the satisfaction of Operator, the well in progress at the end of the Primary Term of the Agreement or extension thereof, as the case may be.
- (c) Period of Breakdown, Dry Dock time and Hull Inspection time of the Drilling Unit unpaid by Operator may be added at the option of Operator to the duration of the primary term or the extension thereof as the case may be which shall be limited to a period of 30 days from the primary period and extended period.
- (d) Operator shall have the option to terminate this Agreement, at any time during last

thirty (30) days before the expiry date of the Primary Term or any extension thereof, if the last well being drilled is completed or abandoned prior to such expiry date and, in the opinion of Operator, another well cannot be drilled within the remaining Agreement period.

[\(BL/03/26 dated 03.05.2012\)](#)

#### **1.4 LIQUIDATED DAMAGES.**

The Contractor shall deploy the Drilling Unit at the designated first drilling location nominated by Operator, anywhere in Indian waters to commence operation within (180 days in case of Indian parties and 120 days in case of foreign parties for **Offshore** charter hire services from the date of issue of unconditional firm telex order but in no case the Drilling Unit shall be deployed under this contract without completion of the well/wells-in-progress under ONGC's Contract No..... In the event period of completion of well/wells-in-progress exceeds such 180 days, (in case of Indian contractors)/ 120 days (in case of foreign contractors), then the Drilling Unit shall be deployed after completion of well/wells-in-progress within the time limit to be specified by Operator. ONGC reserves the right to extend the date of mobilisation until weather is cleared for deployment of unit to new location, if mobilisation period of 180/120 days as may be applicable falls between the monsoon period (from 16<sup>th</sup> May to 15<sup>th</sup> October – both days inclusive), without imposition of any liquidated damages. If the Contractor fails to deploy the Drilling Unit within aforesaid period, the Operator as its sole remedy can recover from contractor as ascertained and agreed Liquidated Damages and not by way of penalty a sum equivalent to 1/2 % of annual contract value (i.e. Effective Day Rate based on which bids were evaluated x 365 days) for each week of delay or part thereof subject to maximum of 10%. Operator shall have at any time but before Commencement Date, the right to terminate the Contract in the event Contractor fails to deploy the Drilling Unit at the first drilling location within aforesaid period, without prejudice to any other clauses including LD Clause. The parties agree that this is a genuine pre-estimate of the loss/damage which will be suffered on account of delay/breach on the part of the contractor and the said amount will be payable on demand, without there being any proof of the actual loss or damages caused by such delay/breach.

LD will be calculated on the basis of annual contract value (i.e. Effective Day Rate based on which bids were evaluated x 365 days) excluding duties and taxes, where such duties/taxes have been shown separately in the contract.

[\(BL/03/06 dated 1.3.02\)](#)

#### **1.5 Non – substitution of rig (Contract condition in Booklet No: ONGC/MM/03):**

The Contractor shall mobilize the rig \_\_\_\_\_ (Name of the rig) within the stipulated mobilization period and ONGC shall not allow substitution of the rig under any circumstances.

#### **2.0 DEPTH**

##### **2.1 GENERAL**

- (a) Wells should be drilled to a depth specified pursuant to this Article 2, clause 2.2 subject always to the right of Operator to direct at any time a stoppage of work at a lesser depth.

- (b) The Drilling Unit furnished by the Contractor hereunder, shall be fully equipped and adequate to drill wells in terms of agreed specifications and complete the same and carry out remedial operations thereto as specified by Operator. The Drilling Unit and all other equipment, materials, and supplies provided by Contractor, as specified or which Contractor is otherwise required to provide under the terms of this Agreement, shall be in good workable condition, and together with the personnel provided by the Contractor, as specified in Exhibit.....shall be furnished and maintained by Contractor at its sole cost for the rates set forth in Article 3 Contractor shall maintain the Drilling Unit in good operating and seaworthy condition throughout the duration of the Agreement or any extension thereof.

## **2.2 DEPTH**

Contractor confirms that the Drilling Unit shall be capable of drilling wells upto a maximum depth of.....Meters.

## **2.3 WELL DEPTH**

The depth of each well to be drilled, hereunder will be specified in Operator's Drilling and Completion Programme, which Operator may amend from time to time. The depth so specified is hereunder referred to as the 'well depth'.

## **3. COMPENSATION OF CONTRACTOR**

### **3.1 GENERAL**

Operator agrees to pay Contractor for work performed/services rendered and material/equipment supplied and personnel furnished by Contractor, a sum at the rates specified in this Article read in conjunction with Exhibit 'D' shall be computed from and to the nearest half hour. The rates contained in this Article are based on contractor's operations being conducted on a seven (7) days week and a twenty four (24) hours work day.

### **3.2 MOBILISATION**

For mobilisation of the Drilling Unit, from the Drilling Unit's present location to the first well location designated by Operator anywhere in Offshore India, Operator shall pay the Contractor a Mobilisation fee of.....,within fifteen (15) days from commencement date of Agreement as defined in clause 1.1 above provided invoice is submitted 30 days prior to date of payment.

### **3.3 DEMOBILISATION**

Operator shall pay the Contractor within thirty (30) days of expiry date as defined in Article 1.2 or within 30 days of the receipt of invoice, whichever is later, a demobilisation fee amounting to ..... on submission of invoice by the Contractor.

### **3.4 DAY RATE**

Under this Agreement Contractor will be entitled to an applicable day rate at all times from the time of commencement of Agreement (as per Article 1.1) till the expiry of the Charter Hire period as per

Article 1.2, except where otherwise provided for in this Agreement.

### **3.4.1 OPERATING DAY RATE**

Contractor shall be paid an Operating Day Rate of..... payable from the commencement date and at all times during the term of the Agreement, except when specially otherwise provided for in this Agreement.

### **3.4.2 NON-OPERATING DAY RATE/STAND BY RATE**

(BL/03/05 dated 28.2.02)

Contractor shall be paid a Non-operating Day Rate of..... when the Drilling Unit is not operating and is either waiting for materials/orders /instructions/ programme/ waiting on weather/ waiting on cement to set/ or carrying out fishing operations(not due to contractors equipment and tools) except where otherwise provide for in this Agreement.

### **3.4.3 MOVING DAY RATE**

Contractor shall be compensated at the Moving Day Rate of..... during the time the Drilling Unit is moving to, from or between, locations beginning.

#### **In case of Jack-up**

The Drilling Unit is released from previous location and ending when the Drilling Unit is positioned over the next well location and is ready to spud the well on new location.

#### **In case of Floater/Semi-submersible.**

The Drilling Unit is released from previous location and ending when the Drilling Unit is positioned over the next well location and is ready to spud the well on new location.

### **3.4.4 BREAK-DOWN & BREAKDOWN DAY RATE**

During the Term of the Agreement, if operations hereunder are suspended, due to break-down of or the need for repairs to Contractor's equipment, or due to the failure of Contractor to furnish any requirement for the operations such as, but not limited to, materials, supplies, equipments, or services, and which Contractor is obligated to furnish hereunder or due to failure of Drilling Unit or due to destabilisation of the Drilling Unit due to whatever reasons and if such failure results in the operations being materially affected, Contractor shall be paid at the "Equipment Break-down Day Rate" upto a maximum of 32 hours as compensation per calendar month. Beyond the said 32 (Thirty Two) hours, daily compensation shall not be payable to contractor until operations are recommenced at which time the applicable rate shall again come into force. In addition, Contractor shall be allowed a period of 48 hours per year which shall be paid at the Non-operating Day Rate and can be utilised by the Contractor at any time during the Primary term at its discretion. The said period of 48 hours will be allowed to be pro-rated during the automatic extension (spilling beyond the primary term) or during contract extension (as per article 1.3 (a) of contract).

Beyond the above mentioned permissible period, zero rate will be applicable for further period of breakdown.

### **3.5 HULL INSPECTION**

Contractor shall be required to carry out repair of damaged or structural defects in the Hull structure and/or to carry out required inspections, which prevent the hull structure from performing its normal intended functions. Contractor shall be required to effect said repairs, inspections or modifications required as a result of said inspection at its cost and zero rate and operator shall provide diesel, water and other services at its cost for a maximum period of 10 days provided the said inspection/repairs are carried out at old drilling locations or enroute to new location, thereafter the cost of diesel, water and other services shall be borne by contractor. Contractor shall bear all costs towards diesel, water and other services in case the inspection/repairs are carried out at location other than as specified above. The term "Hull" for the purpose of this clause will include legs and spud can.

Zero rate shall commence from the time, when the Drilling Unit cannot perform its normal intended functions ending when the Drilling Unit is positioned over the next location, after properly dropping its last anchor and ready to spud the well, except that, if the Drilling Unit, after said inspections/repairs, commences operations, as per contract, at the next location designated by operator, then operator shall pay the amount to cover distance from the previous location to next location, directly, as if it is movement between two locations, in accordance with Clause No.3.4.3 - "Moving Day Rate". However, in the event, Drilling Unit commences operations at the same location prior to moving the Drilling Unit for said inspections/repairs, no rate whatsoever shall be payable to the Contractor.

For calculation of Moving Day Rate for positioning at new location in case of a situation mentioned above, the average speed of towing tug Drilling Unit, (if self-propelled) during previous interlocation movement shall be considered. However, if there is no previous interlocation movement, then the average speed of towing tug (Drilling Unit) for movement of Drilling Unit from previous location to repair/inspection site and back to the location, as mentioned above, shall be considered.

In respect of Jack up Units/floaters, if drilling operations at a location are over and only hull inspection/repair etc. as mentioned above is carried out then the time taken in Jacking down at the said location and the time taken in jacking up at the next location shall be allowed at non-operating rate.

Operator, if required, shall off-load/load, from/on Drilling Unit, Operator's or its third party's equipment, at mutually agreed place and time at the cost of Contractor without any financial liability to Operator including payment of any Day Rate. Primary term of this contract or any extension thereof shall be extended as per Clause 1.3(c) by a period equal to the time the Drilling Unit was off-duty but, not to exceed thirty (30) days. Operator may provide boats for towing of Drilling Unit for hull inspection at Contractor's cost.

The Operator may provide diving services essential for Drilling operations only. Search of Contractor's equipment will be at Contractor's cost. However, operator shall provide diving services as may be available with the operator, to the contractor at the contractor's cost subject to exigencies of operations.

### **3.6 DEFICIENCIES**

- (1) Contractor's equipment shall be maintained by Contractor in sound and efficient operating condition at time. Should the performance of Contractor's drilling equipment becomes unsatisfactory or the general standard of performance of work hereunder be materially reduced because of defective drill pipe, drill collars, or other Contractor's furnished equipment or by

reason of contractor's incompetence or negligence, Operator shall give contractor written notice specifying the causes of its dis-satisfaction to correct the specified deficiency within 15 days failing which Operator shall have the right to terminate this Agreement by giving thirty (30) days advance written notice to the Contractor, unless the specified deficiency is corrected within such thirty (30) days period. In this event no demob fees will be payable by the Operator notwithstanding the provision contained in the Contract, Operator shall recover the mobilisation charges, if any, paid in terms of clause 3.2 in case the deficiency occurs during pendency of the contract, on prorata basis for the period of performance, in addition to invoking of performance bond due to failure of the contractor in not executing the contract faithfully.

- (2) Should contractor be denied access to the location of drilling operations due to lack of compliance of any permits or licenses required by the Operator pursuant to Article 13.1 hereof, time lost as a result thereof shall be compensated at the non-operating Day Rate.

### **3.7. LOADING OF OPERATOR'S EQUIPMENT**

Operator shall mobilise all of Operator's/Operator's third party equipment to the first drilling location nominated by Operator for loading on board the Drilling Unit.

In the event 'Drilling Unit' is specially brought or is retained at the harbour to load the Operator's/Operator's third party equipment, before commencement of contract, Contractor shall be paid at the Non-operating rate for the time the jack up unit is being jacked up at the harbour point (in respect of floater semi-submersible when the anchors are being dropped) the loading operations are being carried out and thereafter jack-up is jacked down (in respect of floater/semi-submersible when the last anchor is lifted). Moving Day Rate shall be paid during the period of towing of rig from harbour to first drilling location.

For removing the drilling unit from harbour to first location, tow will be provided by Operator at its cost.

### **3.8 PERSONNEL MOBILISATION**

For purpose of this Agreement, the Operating Area shall be anywhere in Offshore Indian Waters. In the event there is a change of location from West coast to East coast or vice versa and Contractor shifts its office to the new location, Operator shall pay all reasonable expenses thereby incurred in moving a maximum of four (4) of Contractor's shorebase personnel, personal belongings of the said personnel and the Contractor's onshore equipment, materials, supplies and related items located therein, from the original location to new location, such transportation being limited to surface/sea transportation charges only. Contractor shall be solely responsible for providing all other requirements of its personnel including but not limited to, housing, transportation.

### **3.9 FIRM PRICE**

The rates payable under Article 3 hereinabove, shall be firm during the primary term and any extension thereof under clause 1.3 (b) and (c) of the Agreement.

### **3.10 PERFORMANCE**

The Contractor undertakes to perform all its service under this Agreement with all reasonable skill, diligence and care in accordance with sound industry practice to the satisfaction of the operator and accepts full responsibility for the satisfactory quality of such services.

Operator shall give Contractor written notice specifying the causes of its dis-satisfaction to correct the specified deficiency, within 15 days failing which Operator shall have the right to terminate this Agreement by giving thirty (30) days advance written notice to the Contractor, unless the specified deficiency is corrected within such thirty (30) days period.

In this event, no demob fees will be payable by the Operator and notwithstanding provisions contained in the contract, Operator shall recover the mobilisation charges, if paid in terms of clause 3.2 on pro-rata basis for the period of performance, in addition to invoking of performance bond due to failure of the contractor in not executing the contract faithfully. If at any time during the term of this Contract break down of Contractor's equipment results in Contractor being unable to perform its obligations hereunder for a period of 15 successive days (not including Force Majeure delay or break down of Contractor's equipment caused by a well blow-out or all the consequences thereof), Operator, at its option, may terminate this contract, in its entirety without further right or obligation on the part of Operator except for the payment of money then due. No notice shall be served by the Operator under the condition stated above.

### **3.11 PERFORMANCE BOND (applicable for tenders upto Rs. 1 crore)**

The Contractor shall furnish to the Operator within fifteen days of issue of firm order an irrevocable and unconditional letter of guarantee from a Bank acceptable to the Operator for a sum equivalent of 7.5% of one year's contract value (in the proforma as per Exhibit.....enclosed). This irrevocable letter of guarantee shall be drawn in favour of the Operator and shall be valid upto a date 60 days beyond the last date of Primary Term of this Agreement or any extension thereof. In the event of the Contractor failing to honour any of the commitments entered into under this Agreement and/or in respect of any amount due from Contractor to the Operator, the Operator shall have the unconditional option under the guarantee to invoke the said guarantee with the bank and claim the amount from the bank. The bank shall be obliged to make the payment to the Operator upon demand. The Contractor further agrees to extend the period of this guarantee or to furnish a fresh guarantee if the Operator decides to extend the period of this Agreement as stated in the Article 1.3(a), 1.3 (b) and 1.3 (c).

(BL/03/09 dated 07.06.2007)

### **PERFORMANCE BOND (applicable for tenders above Rs. 1 crore)**

The Contractor shall furnish to the Operator within fifteen days of issue of firm order an irrevocable and unconditional letter of guarantee from a Bank acceptable to the Operator for a sum equivalent of 7.5% of one year's contract value (in the proforma as per Exhibit.....enclosed). This irrevocable letter of guarantee shall be drawn in favour of the Operator and shall be valid upto a date 60 days beyond the last date of Primary Term of this Agreement or any extension thereof. In the event CONTRACTOR fails to honour any of the commitments entered into under this agreement or in the event of termination of the contract under provisions of Integrity Pact and /or in respect of any amount due from Contractor to the Operator, the Operator shall have the unconditional option under the guarantee to invoke the said guarantee with the bank and claim the amount from the bank. The bank shall be obliged to make the payment to the Operator upon demand. The Contractor further agrees to extend the period of this guarantee or to furnish a fresh guarantee if the Operator decides to extend the period of this Agreement as stated in the Article 1.3(a), 1.3 (b) and 1.3 (c).

## 4. MATERIAL, SUPPLIES, EQUIPMENT, SERVICES & PERSONNEL TO BE FURNISHED BY CONTRACTOR

### 4.1 MATERIAL, SUPPLIES, EQUIPMENT AND SERVICES

- (a) Contractor will furnish and maintain at its cost all items designated at Part I, Part II of Exhibit A, hereto under the heading "Furnished by Contractor".
- (b) Any additional items of Contractor's equipment not specifically mentioned elsewhere in this Agreement and found necessary to the operation shall be provided as specified in Article 5.1(a) (ii) or on such other basis as is negotiated by the parties.
- (c) Contractor at its cost, shall have the drill pipes inspected by a recognised inspection agency mutually acceptable by both parties prior to the first well unless inspected within last six months in previous contract, and thereafter every six months or 50,000 feet of drilling, whichever occurs first. Operator shall, at any other time, have the right to request the Contractor to have the drill pipes inspected by a recognized inspection agency at Operator's cost.

### 4.2 PERSONNEL

- (a) Contractor will at all times at its sole expense and under its exclusive responsibility arrange supervisory, technical and other personnel to properly perform the work, in the numbers and categories as set forth at Exhibit..... hereof, Operator shall be responsible for securing work permits and security passes for Contractor's employees and personnel, if required.

All of Contractor's supervisory personnel including the Manager, Toolpusher and Driller shall be easily understandable in English language.

(BL/03/05 dated 28.2.02)

- (b) Contractor may be required to deploy additional personnel for maintenance/ operations/ supervision/training/ inspection for which the request of contractor will be considered on merit by the officer of the Operator specifically authorised to accord such approval. Helicopter services for such personnel subject to two numbers at any one time will be provided by Operator at time of crew change at no extra cost to the Contractor and no special sorty shall be provided for such additional personnel. Any Person exceeding two numbers shall be transported by boats by Operator at no extra cost to Contractor. However, NDA / warranty surveyors shall be provided transportation by Helicopter, by the Operator, at no cost to the Contractor.
- (c) In the event a member of crew as listed in Exhibit is not deployed on duty then the daily rate will be reduced as detailed at Exhibit to reflect reduction in costs of contractor, for such short deployment. However, if such short deployment is on account of sickness/accident on location or as per ONGC's instructions due to disciplinary reasons, 7 days will be allowed for replacement without any reduction in the daily rate.

## 5.0 MATERIALS, SUPPLIES, EQUIPMENT, SERVICES & PERSONNEL TO BE FURNISHED BY

## **OPERATOR.**

### **5.1 MATERIALS, SUPPLIES, EQUIPMENT, SERVICES & PERSONNEL**

(a) i) All items of equipments, materials, supplies, service personnel required for operations hereunder, other than items to be supplied by Contractor as set forth in Exhibit.....and Exhibit .....will be furnished by Operator at the well site, and Contractor would have no liability for any costs thereof.

ii) All items of equipment, materials, supplies, services and service personnel required for operations hereunder, other than those items set forth in Article 4 hereof or otherwise required to be replaced or furnished by Operator will be furnished by Operator, or at Operator's request, such items or any other items which Operator is required to furnish under this Agreement may be furnished by Contractor and billed to and be reimbursed by Operator at actual invoice cost provided that if the item is furnished out of Contractor's inventory the lowest quote from two reputable vendors/suppliers will establish the replacement cost less any cash discount obtained by Contractor, plus actual documented freight, packing and insurance costs of such items obtained outside the area of operations.

Further, if the operator on scrutiny finds quotation of some other reputable vendors to be lower, then Operator will have the discretion to pass the invoices based on the lower quotation. When such items are sent by air, at the specific request of Operator the entire cost thereof shall be for the account of Operator, including Air freight. In the event contractor is requested to furnish any single item of equipment, materials or supplies which, operator is required to furnish under this Agreement, Contractor's fee of 7.5% will be payable by Operator on F.O.B. value less discount if any, for each procurement costing US\$ 60,000 and 5% for each procurement costing more than US\$ 60,000 to cover total costs, to contractor on account of such procurement and actual cost of services against documents. In addition, customs duty paid if any, would be reimbursed at actuals against documentary evidence.

iii) For all services rendered or materials supplied to Contractor by Operator at Contractor's request which services or materials are the obligations of the Contractor, the Operator shall charge the Contractor for actual costs as supported by vendor's invoice plus 7.5% fee on FOB value for each procurement costing upto US dollars 60,000 and 5% for each procurement costing more than US dollars 60,000, thereon to cover costs on account of such procurement and actual cost for services.

In addition, customs duty and transportation costs paid and/or incurred would be reimbursed at actuals against documentary evidence.

(b) Any equipment, materials or supplies purchased by Contractor on account of Operator shall thereafter become the property of Operator upon payment by Operator.

### **5.2 OPERATOR'S INSTRUCTIONS**

Operator may from time to time through its authorised representative or representatives, issue written or oral (to be followed by writing) instructions to contractor concerning operations.

### **6.0 INSPECTION OF MATERIALS**

#### **6.1 INSPECTION BY CONTRACTOR**

Contractor agrees to perform a visual inspection, using its personnel, of all materials and

appliances furnished by Operator when delivered into Contractor's possession and shall notify Operator's representative of any apparent defects observed therein so that Operator may replace such defective materials or appliances. If Contractor fails to notify Operator of any apparent defects as provided above, it shall be conclusively presumed that such materials and appliances are free from such apparent defect. Contractor shall not be liable for any loss or damage resulting from the use of materials or appliances furnished by Operator containing latent defects. Upon the termination of this Agreement, Contractor shall return to Operator at the well site all machinery, equipment, tools, spare parts and supplies received by Contractor from Operator or purchased by Contractor for Operator's account and not used or consumed in the operations, in as good condition as when received by Contractor, normal wear & tear excepted. If damage to any Operator's equipment is caused due to sole negligence of the Contractor, same will be repaired or replaced at Contractor's cost. Contractor shall, if requested by Operator also maintain or repair, at its cost, any of Operator's items, on board the Drilling Unit which Contractor is qualified to and can maintain or repair with Contractor's normal complement of personnel and the equipment on board the Drilling Unit provided however that Operator shall at its cost provide all spare parts and materials required to maintain or repair operator's items. However, it shall remain the Operator's basic responsibility and liability to ensure that such items are always in good workable condition.

## **6.2 INSPECTION BY OPERATOR**

Operator shall have the right to inspect and reject for any valid cause any items furnished by Contractor and Contractor, shall replace or repair at its sole expense such items so rejected with items free of defects, to the satisfaction of Operator.

## **7.0 PAYMENT**

### **7.1 TIME OF PAYMENT**

(BL/03/16 dated 13.01.2010)

Operator shall make payment under this Agreement within 21 (twenty one) calendar days from the date of receipt of a clear (undisputed) invoice from Contractor, subject always to Operator's right to require Contractor to furnish it with satisfactory evidence of the validity and prior payment by Contractor of all labour and materials incurred by Contractor and charged to Operator.

Should Operator withhold any payment out of the invoice claim, it shall give reasons for withholding of such amount from the invoice.

The amount not in dispute is to be paid within the above 21 (twenty one) calendar days period.

### **7.2 INVOICE PRESENTATION**

(BL/03/16 dated 13.01.2010)

Invoice, accompanied by copies of the original vouchers, records, receipts or other supporting evidence for the work performed or the expenses incurred during each month, shall be presented to Operator's office on or before the tenth (10th) of each succeeding month or soon thereafter.

The original invoice should also accompany the following documents/details:

**(An indicative list of documents is given below. Tender Committee should deliberate on the same and select the appropriate documents as applicable for the respective case and incorporate the same suitably in the Bid document / Contract, after making necessary additions/deletions.)**

1) Alongwith first invoice:

Following documents / details should be invariably furnished alongwith the first invoice:

- a) Copy of valid registration certificate under the Service Tax rules.
- b) Particulars required for making payments through 'Electronic Payment Mechanism', in accordance with the clause on 'MODE OF PAYMENT' appearing in Annexure-I (i.e. 'Instructions to bidders') of bid document.
- c) Mobile No. (Optional).
- d) e-mail ID.

2) Payment of Mobilization Charges:

- a) Invoice (In accordance with the relevant Service Tax rules).
- b) Insurance policies (As applicable).
- c) Inspection report (Pre-mob, as applicable).
- d) Notification Certificate of Acceptance of Mob.
- a)e) Certificate of 'Commencement of operation' under this contract.

(BL/03/20 dated 13.07.2010)

- f) Details/statement showing cost of services, service tax etc. as per clause 15.5.1 below (alongwith details of disclosure as per clause 15.8.7).

3) Periodical / Monthly payment:

- a. Invoice (i.e. Tax invoice as per relevant Service Tax rules, in original and duplicate, clearly indicating Service Tax registration number, Service Classification, Rate and amount of Service Tax shown separately).
- b. Insurance policies and proof of payment of premium (As applicable)
- c. Details of statutory payments like EPF and ESI (As per clause 7.2.2 below), etc. (As applicable)
- d. Undertaking by the contractor regarding compliance of all statutes
- e. Certificate by the contractor stating that labour have been paid not less than minimum wages. (As applicable)
- f. Copy of Time sheet / Log Sheet /DPRs with summary showing non-operating period, operating period, Rig move period, idle period, breakdown of equipment, non deployment / short deployment etc (if any) and reasons thereof
- g. Attendance Sheet (How many person on board) / Manpower deployment sheet [showing non deployment / short deployment etc (if any) and reasons thereof].
- h. Statement of persons travelled on chargeable basis (Recoverable), if applicable.
- i. Fuel charges (Daily consumption report of fuel) and statement of material/ consumption (incl. HSD, cement, mud chemicals, pot water, etc.) taken from ONGC on chargeable basis, if applicable.
- j. Catering Bill (Log Sheet).
- k. Telephone Bill (Log sheet).

a-l. Any other document specifically mentioned in the Contract, or supporting documents in respect of other claims (if any), permissible under the Contract.

(BL/03/20 dated 13.07.2010)

m. Details/statement showing cost of services, service tax etc. as per clause 15.5.1 below (alongwith details of disclosure as per clause 15.8.7).

4) Lost In Hole Payment:

- a. Invoice.
- b. Bill of Entry.
- c. Dispatch convey note/ Manifest of ONGC.
- d. Certificate of Conformity.
- e. Report on Loss in hole.
- f. Proof of payment (towards the purchase of equipments).
- g. Certificate of 1<sup>st</sup> used.

5) Payment towards Indian Agent Commission (IAC):

- a. Invoice of IAC (stamped pre-receipted bill)
- b. Particulars required for making payments through 'Electronic Payment Mechanism', in accordance with the clause on 'MODE OF PAYMENT' appearing in Annexure-I (i.e. 'Instructions to bidders') of bid document.
- c. Payment advice (if applicable) against which IAC is claimed.
- d. e-mail ID.

(BL/03/17 dated 10.03.2010)

7.2.1 Particulars required before releasing payments to foreign CONTRACTOR (non-resident as per Income Tax Act, 1961):

The particulars as per clause \_\_\_\_\_ (*work center to indicate the appropriate clause number*) of Annexure-I are invariably required before releasing payments to foreign CONTRACTOR, in accordance with the requirements for making remittances to non-residents as per Income Tax Act, 1961 (as amended from time to time).

In addition to the said particulars submitted alongwith the bid, the CONTRACTOR should also provide any other information as may be required for determining the taxability of the amount to be remitted to the non-resident. Further, the CONTRACTOR shall be liable to intimate the subsequent changes (if any) to the information submitted against any of the said particulars, alongwith full details.

7.2.2 Details of statutory payments like EPF and ESI etc.

(BL/03/25 dated 02.02.2012)

Wherever applicable, the Contractor (including those engaging 'International Workers') shall have itself registered under Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948 and follow the relevant statutory provisions including Rules made

there-under concerning contractual workers. The contractor shall be required to submit the following documents/details to the Corporation:

- (i) Dully filled in "Proforma-PFD", as per Appendix-3 of this Annexure, alongwith the monthly bills and copies of challan for payment of EPF and ESI etc.
- (ii) Copy of 'Form-12' submitted by the Contractor to the PF Commissioner regarding "statement of Contributions " on monthly basis.(Blank Format enclosed at Appendix-4)
- (iii) Copy of 'Form-6A' submitted by the Contractor to the PF Commissioner on an annual basis/ on expiry of contract.(Blank Format enclosed at Appendix-5)

Corporation shall maintain these records and verify the deposit of statutory contribution made by the contractors with the EPFO/ESI authorities, where deemed necessary. However, before making payment of the last bill/invoice of the Contractor, the appropriate authority (i.e. Payment Making Authority etc.) in the Corporation, shall verify from the EPF/ESI authorities the details/status of the payment made by the Contractor. In case the information furnished by the Contractor is found to be incorrect the Corporation shall take appropriate action against the Contractor.

Note: Conditions for applicability of above provisions

Above clause w.r.f. submission of details on EPF and ESI payments shall not be applicable in following types of contracts:

(a) In those Contracts wherein the services/jobs has been performed exclusively in the premises of the contractor. Certificate to the effect is to be submitted by the Contractor that services/jobs to be executed under the contract have been performed exclusively in his premises.

OR

(b) In those contracts also wherein contractor has employed only their full time regular employees for execution of the contract. Certificate to the effect is to be submitted by the contractor that for execution of the contract, no contractual labour has been employed and only full time regular employees of the contractor have been employed.

OR

(c) Fulfillment of conditions at (i) on EPF and (ii) on ESI mentioned below:

(i) Information sought in above clause pertaining to only EPF shall not be required to be submitted in those contracts whrein the contractor has employed only those of his employees whose pay exceeds Rs. 6500/- per month. Certificate to the effect is to be submitted by the contractor that for execution of the contract, the monthly wages of all employees who have been employed, exceeds to Rs. 6500/- per month.

(ii) Information sought in above clause pertaining to only ESI shall not be required to be submitted in those contracts wherein the contractor has employed only those of his employees whose pay exceeds Rs. 15000/- per month as in terms of the current provisions of the ESI Act, 1948 an employee whose monthly pay exceeds Rs. 15000/- is outside the purview of the ESI Act. Certificate to the effect is to be submitted by the contractor that for execution of the contract, the monthly wages of all employees who have been employed, exceeds to Rs. 15000/- per month. Further, ESI Act, 1948 is applicable only areas where it has been made applicable by Gazette Notification in this regard. (In the areas of ONGC operation, the ESI Act is currently applicable in all areas except the

NE States. However, the Act is applicable in Guwahati. Applicability in new areas of operation is to be verified from the office of the ESI Corporation concerned.)

In case a contractor falling under the provisions of the Note mentioned above does not submit the required details on EPF and ESI payments, then in that case, the Contractor shall be required to indemnify ONGC for any liabilities arising out of declarations made by him in future on violation or provisions of the EPF Act 1952 and ESI Act 1948.

### **7.3 PLACE OF PAYMENT**

Operator agrees to make all remittances under this Agreement into contractor's account at.....

### **7.4 OPERATOR'S RIGHT TO QUESTION THE AMOUNTS CLAIMED**

(A) Payment of any invoice shall not prejudice the right of the Operator to question the allowability under this Agreement of any amounts claimed therein, provided Operator, within one year beyond the expiry of each contract year, delivers to contractor, written notice identifying any item or items which it questions and specifying the reasons therefor. Should Operator so notify Contractor, such adjustment shall be made as the parties shall agree. These provisions shall be reciprocal for similar rights to the Contractor.

(B) The contractor shall provide on demand a complete and correct set of records pertaining to all costs for which it claims reimbursement from Operator and as to any payment provided for hereunder, which is to be made on the basis of Contractor's costs.

### **7.5 Payment of commission/fee/remuneration of Indian agent/ consultant/representative/ retainer/associate of foreign principal.**

The commission/fee/remuneration of the Indian agent/ consultant/representative/retainer/associate will be paid within 30 days of the payment of first invoice made to the contractor provided installation/commissioning of equipment by such agent/consultant/representative/ retainer/ associate is not involved. In such cases, the amount of commission/fee/remuneration will be deducted by ONGC from payment of first invoice of the contractor and paid to the Indian agent/consultant/ representative/retainer/associate in non-convertible Indian rupees at the closing market rate of exchange declared by SBI on the day prior to price bid/revised price bid (if any) opening.

Where, as a condition of contract, the equipment is to be installed/commissioned satisfactorily by Indian agent/consultant/associate/representative/retainer/, the payment of commission/fee/remuneration shall be made within 30 days of satisfactory installation/commissioning and issue of a certificate to the effect by the authorised officer of ONGC. The payment of Indian agent/ consultant/representative/ retainer/associate will be subject to the condition that he sends stamped pre-receipted bill for the commission/fee/remuneration.

The closing market rate of exchange declared by SBI on the day prior to the price bid/revised price bid (if any) opening will be taken into consideration for working out the commission/fee/remuneration of Indian agent/ consultant/representative/retainer/associate.

## **8.0 CASING AND MUD PROGRAMME**

### **8.1 CASING PROGRAMME**

The Casing programme to be followed in the drilling of wells under the Agreement shall be as specified by Operator.

## **8.2 MUD PROGRAMME**

Contractor shall make, maintain and use drilling mud with water loss, weight and viscosity in accordance with such mud programme as the Operator may decide as per good oilfield practices. At all times Contractor shall exercise due care and diligence in keeping the hole and all strings of casing and spaces between casing filled with drilling mud. Under the supervision of Operator's chemist, Contractor shall maintain and test drilling mud at least twice each hour for weight and viscosity. The Contractor shall record the result of such test and deliveries and use of mud and mud materials in its Daily Drilling reports.

## **9.0 PERFORMANCE OF THE WORK**

### **9.1 INDEPENDENT CONTRACTOR RELATIONSHIP**

(a) Contractor, directly and through its employees, shall perform all work connected with the Drilling operations herein contemplated. In the performance of this work contractor is an independent Contractor and is completely responsible to control and execute the details of the work, Operator being interested in proper execution and results obtained. The work contemplated herein shall meet the approval of Operator and be subject to the general rights of directions and inspection. Neither Contractor's employees nor employees of its sub-contractors, shall be considered employees of Operator.

b) Contractor shall at all times, have full responsibility for control, direction and supervision of operations being carried out under this Agreement except when and to the extent that the Operator assumes control and supervision of operation.

c) Contractor shall have complete responsibility regarding the safety of operations of all systems and all personnel on board the Drilling Unit. The extent of Contractor's responsibility shall include but not be limited to making final decision regarding:-

- 1 Sea and Wind or other conditions under which Drilling Unit may be safely moved to and between locations.
- 2 Sea and Wind or other conditions existing or impending under which the Drilling Unit shall be moved to sheltered waters during cyclones.
- 3 Evaluation of inspection and survey conducted by Operator of sea floor condition to determine whether or not the Drilling Unit can be positioned at the site of operations considering the conditions at the site or maintained in position on same during the operations.
- 4 Whether or not the Drilling Unit may be safely Jacked/up anchored on a location.
- 5 Subject to Article 9.6, Well Control Measures, Actions and Procedures affecting the containment of existing or potential escape of pressures which could lead to blowouts, cratering, or similar catastrophe.

### **9.2 OPERATOR'S AND CONTRACTOR'S REPRESENTATIVES**

(a) The actual performance and superintendence of all work hereunder shall be by Contractor.

- (b) Operator shall designate in writing representative or representatives who shall at all times have complete access to the Drilling Unit for the purpose of observing inspection or supervising the work performed by Contractor in order to judge whether in Operator's opinion, Contractor is complying with the provisions of this Agreement. Operator shall notify Contractor in writing of the name(s) and authority of its representative or representatives. Such representative or representatives shall be empowered to act for Operator in all matters relating to Contractor's performance of the work herein undertaken. Contractor agrees at all times to cooperate with and extend assistance to employees of Operator or employees of Operator's Contractors performing any function under this Agreement.
- (c) Contractor shall designate an Area Manager in-charge of Contractor's Drilling Unit. Contractor shall notify Operator in writing of the name(s) and authority of its representative or representatives. Such representative or representatives shall be fully capable and empowered to act for Contractor in all matters relating to Contractor's performance of the work in accordance with this Agreement.

### **9.3 SAFETY AND LABOUR LAWS**

All safety and labour laws enforced by statutory agencies and by Operator shall be applicable in the performance of this Agreement and Contractor shall abide by these laws.

### **9.4 DEVIATION OF THE HOLE**

Contractor shall take all steps and precautions in accordance with good oilfield practices in the area of operations to drill a hole which will not deviate from the limits specified by Operator. Contractor shall run angle measuring devices acceptable to and at such intervals as may be directed by Operator.

### **9.5 DRILL PIPE MEASUREMENT**

Contractor shall measure the total length of drill pipe in service with a steel tape before setting casing or liner, before logging, after reaching final depth, and whenever requested by Operator and promptly enter all such measurements in the daily drilling report.

### **9.6 PREVENTION OF FIRE AND BLOWOUT**

- (a) Contractor shall use the Blowout Prevention Equipment specified in this Agreement, on all strings of casing unless otherwise directed by Operator. Contractor shall maintain Well Control Equipment in good condition at all times and shall take all reasonable and possible steps to control and prevent blowouts and fire and to protect the well.
- (b) Contractor shall test the Blowout Prevention devices by making a pressure test at least once every seven (7) days or at such other times as instructed by operator's representative. Contractor shall record the results of all such tests in Daily Drilling Report. Replacement of all blowout prevention rubber parts shall be on Operator's account, provided replacement is done with approval of Operator.
- (c) Contractor shall use all reasonable means to keep the hole and all strings of casing filled with Drilling mud at all times.
- (d) Contractor shall use belly sub-protectors and, if directed by Operator, drill pipe casing

protectors of an approved type.

## **9.7 DISCIPLINE**

Contractor shall carry out operations hereunder with due diligence and in a safe and workman like manner according to good international oilfield practice.

Contractor and Operator shall maintain strict discipline and good order among their respective employees, and their respective sub-contractor's employees, if any, and shall abide by and conform to all rules and instructions promulgated by Operator and Contractor governing the Drilling Operations. Should Operator feel for just cause, that the conduct of any of Contractor's or its sub-contractor's personnel is detrimental to Operator's interests, Operator shall notify Contractor in writing for removal of such personnel Contractor shall remove immediately and replace such an employee/employees at Contractor's expense within seven (7) days. If no replacement has been provided within this time the Operator shall reduce the daily rate by the amount specified for this category in Exhibit "\_\_\_\_\_" until such replacement has been provided. The person so removed shall not be employed again without the prior written consent of the Operator. Contractor shall not permit any of its employees, representatives, agents or sub-contractors to engage in any activity which might reasonably be considered to be contrary or detrimental to the interest of the operator.

## **9.8 SAFETY**

Contractor shall take all measures necessary or proper to protect the personnel, work and facilities and shall observe all reasonable safety rules and instructions. No smoking shall be permitted out side the living quarters, and welding jobs will be carried out with full safety precautions. operators employee also shall comply with safety procedures/policy.

## **10.0 COMPLETION OR ABANDONMENT**

Contractor agrees to perform all work necessary to drill, complete or abandon each well in the manner specified by operator.

## **11. SAMPLES, CORING AND CORES AND FORMATION TESTS**

### **11.1 SAMPLES**

Contractor shall have and preserve for Operator, samples of formation penetrated and properly prepare and label Operator's containers. The frequency at which samples are to be obtained, shall be designated by Operator.

### **11.2 CORING AND CORES**

Contractor shall core at such depths as Operator shall specify and shall deliver all cores as recovered, in Operator's containers, properly labeled, to Operator and shall not allow any third party access to said cores or samples or any date without Operator's prior written consent.

### **11.3 FORMATION TESTS**

If during the course of Drilling any well, Contractor encounters evidence of Oil or Gas, Contractor shall immediately notify Operator and, should Operator decide to carry out a test to determine the productivity of the formation so encountered Contractor shall carry out such test under

existing conditions, as mutually agreed.

## **12.0 RECORDS TO BE FURNISHED BY CONTRACTOR**

### **12.1 WELL RECORDS**

Contractor shall keep an authentic log and history of each well on the daily drilling report prescribed by Operator and, upon completion or abandonment of the well, deliver to Operator the original history and log book, properly signed, and all other data and records of every nature relating to the drilling, casing and completion of the well. Such report shall include the depth drilled, formations encountered and penetrated, depth cored and footage of cores recovered and any other pertinent information relating to the well.

### **12.2 WAREHOUSE RECORDS**

Contractor shall deliver to Operator delivery receipts, boat manifests, and other warehouse records received by Contractor covering any material or supplies furnished by Operator. The quantity, description and apparent condition of materials and supplies so received shall be confirmed by Contractor.

## **13.0 PERMITS & LICENCES**

### **13.1 INGRESS AND EGRESS AT LOCATIONS**

Operator hereby agrees that it shall provide Contractor with all necessary rights of ingress/egress to and possession of the location where the well is to be located including any drilling permits or licenses required for the performance by Contractor of all works contemplated by this Agreement. In the event of any restrictions, conditions, or limitations in Operator's permit, which would affect the free right of ingress, egress and possession to be exercised by Contractor hereunder, its employees or its sub-contractors, Operator agrees promptly to advise Contractor in writing with respect to such restrictions, conditions or limitations and Contractor agrees to observe the same. Should Contractor be denied the access to or possession of the location for any reason, any time lost and other expenses incurred by Contractor as a result of such denial shall be paid in accordance with Article 3.

### **13.2 DRILLING UNIT LICENCES**

Contractor agrees that it shall secure permits and licenses for operation of the Drilling Unit in Indian Waters, if required and Contractor shall pay any expenses in this regard.

## **14.0 INSURANCE AND INDEMNITY AGREEMENTS**

### **14.1 INSURANCE**

Contractor shall procure at Contractor's expense and maintain with respect to and for the duration of this Agreement the insurance policies described below preferably by Indian insurance companies and with policy limits indicated below.

**(BL/03/23 dated 26.04.2011)**

#### **14.1.1 WORKMEN'S COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE**

Contractor shall ensure and provide all its personnel adequate insurance cover for compensation to be paid under Employees' Compensation Act, 1923 and Employer's Liability Act, 1938 and / or any other applicable law(s) in respect of accident or injury that may be caused to them in the course of their deployment in the area of operation under this Contract. Employer's Liability Insurance including appropriate maritime coverage shall be provided to all the personnel of the Contractor to meet the requirement of this clause or the applicable statute, whichever is greater.

#### **14.1.2. COMPREHENSIVE GENERAL LIABILITY INSURANCE**

Comprehensive General Liability Insurance shall cover premises, operations, independent Contractors and blanket contractual liability including but not limited to the insurable liabilities assumed under the indemnity Agreement in Article 14.6 :- Coverage shall indicate that Marine Operations are covered unless such operations are covered by insurance referred to as below:

Bodily injury/: Rs.10.00 crores

property damage      Single limit per accident per occurrence.

This coverage shall be endorsed to waive all rights of subrogation against Operator to the extent Contractor has given indemnities under the contract. This policy also shall cover contingent and contractual liability.

#### **14.1.3 MARINE INSURANCE**

Marine Insurance Policy shall be All risk London standard Drilling Barge form and other comparable forms or coverages used in American and foreign markets on the Drilling Unit owned or chartered by Contractor and utilised in the performance of this Agreement with policy limits equal to the value of the equipment.

#### **14.1.4 COMPREHENSIVE GENERAL AUTOMOBILE LIABILITY.**

Comprehensive General Automobile Liability shall cover all owned, hired and non-owned vehicles.

Bodily injury : According to local laws.

Property damage : According to local laws.

#### **14.1.5 PROTECTION AND INDEMNITY LIABILITY**

Protection and indemnity liability insurance policy if available in India, shall cover each occurrence of bodily injury including death and property damage payable in India.

#### **14.2 WAIVER OF SUBROGATION**

All insurance policies of the Contractor with respect to the operations conducted hereunder as set forth in Article 14 hereof, shall be endorsed by the underwriter in accordance with the following policy wording:-

"The insurers hereby waive their rights of subrogation against any individual, Company, Affiliates or Assignees for whom or with whom the assured may be operating to the extent of the contractual indemnities undertaken by the Contractor."

The provisions of this paragraph do not apply to Subcontractors of Operator. Operator is to obtain a reciprocal endorsement in favour of Contractor on policies maintained by Operator.

### **14.3 CERTIFICATE OF INSURANCE**

Before commencing performance of the Agreement, Contractor shall upon request, furnish Operator with certificates of insurance including (1) kinds and amounts of insurance as required herein, (2) Insurance Company or Companies carrying the aforesaid coverages, (3) effective and expiration dates of policies, (4) that Operator will be given thirty (30) days written advance notice for any material change in the policy, (5) waiver of subrogation endorsement has been attached to all policies, (6) the territorial limits of all policies. If any of the above policies expire or are cancelled during the term of this Agreement and Contractor fails for any reason to renew such policies, then Operator may replace same and charge the cost thereof to Contractor.

Should there be a lapse in any insurance required to be carried by Contractor under sub-article (1) through (5) of Article 14.1 (A) of this Agreement, for any reason whatsoever, losses resulting therefrom shall be for the sole account of Contractor.

### **14.4 DEDUCTIBLE**

That portion of any loss not covered by insurance provided for in this Article 14 solely by reason of a deductible provision in such insurance policies shall be for the account of Contractor.

### **14.5 SUBCONTRACTORS**

Contractor shall require all of its Sub-contractors to provide such of the fore-going insurance coverages as Contractor may consider necessary.

### **14.6 INDEMNITY AGREEMENTS**

(A) Contractor agrees to protect, defend, indemnify and hold Operator its co-lessees, its agents if any, its other Contractors and/or their employees harmless from and against all claims, demands and causes of action, liabilities, expenses, costs, liens, rights in rem, and judgements of every kind and character, without limit, which may arise in favour of Contractor, Contractor's Employees, Agents, Sub-contractors of their employees; on account of bodily injury or death or damage to any person or its property as a result of the operations, contemplated hereby, regardless of whether said claims, demands, or cause of actions arise out of negligence or otherwise, in whole or in part, un-seaworthiness or other fault, including pre-existing conditions of operator, its Contractors other than Contractor, Sub-contractors, partners, Joint Venture, employees or Agents.

(B) Operator, agrees to protect, defend, indemnify and hold Contractor and its co-lessees, its agents and its affiliates, its other contractors and/or their employees harmless from and against all claims, suits, demands and causes of action, liabilities, expenses, costs, liens, rights in rem and judgements of every kind and character, without limit, which may arise in favour of Operator, Operator's Employees, Agents, invitees, Contractors (other than Contractor), and Sub-contractors, or their employees, on account of bodily injury or death or damage to any person or its 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/in part, un-seaworthiness or other faults, including pre-existing conditions of Contractor, its Subcontractors, parties, Joint Ventures, Employees or Agents.

[\(BL/03/24 dated 02.02.2012\)](#)

### **14.7 POLLUTION AND CONTAMINATION**

Notwithstanding anything to the contrary contained herein, it is understood and agreed by and between the Contractor and Operator that the responsibility for pollution or contamination shall be as follows:

(a) The Contractor shall assume all responsibility for cleaning up and controlling pollution or contamination which originates above the surface of the water from spills or fuels, lubricants, motor oils, normal water base drilling fluid and attendant cuttings, pipe dope, paints solvents, ballast, bilge and garbage wholly in Contractor's possession and control and directly associated with Contractor's equipment and facilities, provided, however, Contractor's liability shall be limited to US Dollars One Million (US\$ 1 Million) where after the Operator shall indemnify and hold harmless Contractor for amounts in excess.

(b) Except as otherwise provided in article 14.7(a), Operator shall assume all responsibility for (including control and removal of the pollutant involved) and shall protect, defend and save the Contractor harmless from and against all claims, demands, and causes of action of every kind and character arising from all pollution or contamination, other than that described in sub-clause (a) above, which may occur from any cause including negligence of Contractor but not limited to, that which may result from fire, blowout, cratering, seepage of any other uncontrolled flow of oils, gas, water or other substances, as well as the use or disposition of oil emulsion, oil base or chemically treated drilling fluids, contaminated cuttings or caving, lost circulation and fish recovery materials and fluids provided however, Contractor's sole liability under this sub-clause is to reimburse Operator US Dollars One Million (US\$ 1 Million) of cost paid/incurred by Operator in control of the pollutant, clean up costs, or damage to a third party, provided said pollution results from contractor's sole negligence.

In the event a third party commits an act or omission which results in pollution or contamination for which either the Contractor or Operator, for whom such party is performing work, is held to be legally liable the responsibility therefor shall be considered as between the Contractor and Operator, to be the same as if the party for whom the work was performed and all of the obligations respecting defense indemnity, holding harmless and limitation of responsibility and liability as set forth in (a) and (b) above, shall be specifically applied."

14.8 Unless otherwise stated, all the indemnities and allocation of risk provisions contained in this Agreement shall apply without regard to fault or negligence.

For the purpose of this Agreement, "negligence" mean the reckless, willful or wanton disregard to the probable consequences of an act.

In the interpretation of this Agreement, indemnities provided herein shall take precedence over the remaining provisions hereof.

## **15.0 CLAIMS, TAXES, FEES AND ACCOUNTING**

### **15.1 CLAIMS**

Contractor agrees to pay all claims, taxes, and fees for equipment, labour, materials, services and supplies to be furnished by it hereunder and agrees to allow no lien or charge resulting from such claims to be fixed upon any well or other property of Operator, Operator may, if required by any competent authority after notifying Contractor pay and discharge any lawful lien or valid overdue charges for Contractor's equipment, labour, materials, services and supplies under this Agreement and may thereupon deduct the amount or amounts so paid by Operator from any sums due, or thereafter becoming due, to Contractor hereunder.

## 15.2 NOTICE OF CLAIMS

Contractor or Operator, as the case may be, shall promptly give the other, notice in writing of any claims made or proceedings commenced for which that party is entitled to indemnification under this Agreement. Each party shall confer with the other concerning the defense of any such claim of proceedings and shall permit the other to be represented by Counsel defense thereof, and shall not effect settlement of or compromise any such claim or proceedings without the other's written consent.

## 15.3 WITHHOLDING, ACCOUNTING AND TAX REQUIREMENTS

(Applicable both for Indian and foreign bidders)

Contractor agrees for withholding from wages and salaries of its agents, servants, or employees all sums required to be withheld by the laws of the Republic of India or any other agency having jurisdiction over the area where Contractor is conducting operations, and to pay the same promptly when due to the proper authority.

(Applicable for foreign parties)

Contractor further agrees to comply with all accounting and reporting requirements of any nation having jurisdiction over the subject matter hereof and to conform to such laws and regulations and to pay the cost of such compliance. If requested by Operator, Contractor will furnish to operator evidence of payment or applicable taxes in the host country, on contractors expatriate employees.

(BL/03/17 dated 10.03.2010)

## 15.4 CORPORATE TAXES:

15.4.1 The CONTRACTOR shall bear all direct taxes, levied or imposed on the CONTRACTOR under the laws of India, as in force from time to time.

The CONTRACTOR shall also be responsible for ensuring compliance with all provisions of the direct tax laws of India including, but not limited to, the filing of appropriate Returns and shall promptly provide all information required by the CORPORATION for discharging any of its responsibilities under such laws in relation to or arising out of the CONTRACT.

15.4.2 Tax shall be deducted at source by ONGC from all sums due to an Indian tax resident Contractor in accordance with the provisions of the Income Tax Act, 1961, as in force at the relevant point of time.

15.4.3 A non-resident Contractor i.e., a Contractor who is not an Indian tax resident according to the Indian Income Tax Act, 1961, has the option to obtain on its own either (A) an Order u/s. 195(3) of the Income Tax Act, 1961, or (B) an order u/s. 197 of the Income Tax Act, 1961, and furnish the said Order u/s. 195(3) or the Order u/s.197, as the case may be, to ONGC along with each of its Invoices. In case the non resident Contractor wishes to exercise this option, it should convey the same in writing to ONGC at the time of signing the Contract and an option so exercised shall be final and cannot be changed during the currency of this Contract. In case an option is so exercised, ONGC shall deduct tax at source in accordance with the directions contained in the Order u/s. 195(3) or the Order u/s. 197, as the case may be, as in force at the point in time when tax is required to be deducted at source.

15.4.4 In case the non resident Contractor does not exercise the option in clause 15.4.3 above, an Order u/s. 195(2) of the Income Tax Act,1961, for the purpose of deduction of tax at source will be obtained by ONGC from the Deputy Director of Income Tax (International Taxation), Aaykar Bhawan,

Subhash Road, Dehradun – 248001, India, and tax shall be deducted at source by ONGC as directed in the said Order u/s. 195(2).

15.4.5 In case the non resident Contractor does not exercise the option in clause 15.4.3 above, it shall furnish a Tax Residency Certificate (Certificate from the income tax authorities of the country of which it is a tax resident, to the effect that, the Contractor is liable to tax in that country by reason of it being a tax resident under the relevant tax laws of that country) within 30 days from entering into the Contract and, in any event, at least 30 days before the first Invoice is furnished to ONGC.

15.4.6 As per the provisions of Section 206AA of Indian Income Tax Act, 1961, effective from 01.04.2010, any person entitled to receive any sum or income or amount, on which tax is deductible under the provisions of Act, is required to furnish his Permanent Account Number (PAN) to the person responsible for deducting tax at source. In case the Contractor does not furnish its PAN, CORPORATION shall deduct tax at source as provided in the Income Tax Act, 1961, or in the relevant Finance Act, or as directed in the orders u/s 195(3) or 197 or 195(2), as the case may be, or at such higher rate as may be required by Section 206AA of Indian Income Tax Act, 1961, from time to time.

15.4.7 The employees of such foreign companies/concerns/Joint Ventures, their SUB-CONTRACTOR and assignees are also required to comply with various Direct tax laws of India, as applicable.

15.4.8 For the lapses, if any, on the part of the CONTRACTOR and consequential penal action taken by the Income Tax department, the CORPORATION shall not take any responsibility whether financial or otherwise.

(BL/03/18 Dated 04.06.2010)

Notes in respect of Tax Residency Certificate:

- (i) The Tax Residency Certificate (TRC) should be in original or a photocopy duly attested either from a notary public in India or from the Indian Embassy/High Commission/Consulate in the country whose authorities have issued such TRC.
- (ii) During the currency of the Contract / Purchase Order, for the income accrued in different financial years, the Contractor/Supplier should submit separate TRCs for each financial year, based on the period for which the foreign income tax authorities issue the TRC as per the financial year followed in the respective country (viz.- the calendar year or the financial year commencing from 1<sup>st</sup> April to 31<sup>st</sup> March of succeeding year).

(BL/03/20 dated 13.07.2010)

## **15.5 PAYMENT OF EXCISE DUTY, VAT / SALES TAX, WORKS CONTRACT TAX AND SERVICE TAX**

Contractor, unless specified otherwise in the CONTRACT, shall bear all tax liabilities, duties, Govt. levies etc. including Service tax, customs duty, Corporate and personnel taxes levied or imposed on the Contractor on account of payments received by it from the Operator for the work done under this CONTRACT. It shall be the responsibility of the Contractor to submit to the concerned Indian authorities, the returns and all other concerned documents required for this purpose and to comply in all respects with the requirements of the laws in this regard, in time.

Contractor shall provide all the necessary certificates / documents for enabling the Operator to avail Input VAT credit and CENVAT credit benefits, in respect of the payments of VAT, Excise Duty, Service Tax etc. which are payable against the CONTRACT. The Contractor should provide tax invoice issued under rule-4A of Service Tax Rules for the Services (indicating service tax education cess and Secondary &

Higher Education Cess) and tax invoice issued under Central Excise rule-11 for Excise Duty (indicating excise duty, education cess and Secondary & Higher Education Cess) and tax invoice under respective State VAT Act for VAT separately for the indigenous goods. Payment towards the components of Excise Duty, VAT, CVD, SAD, Service Tax etc shall be released by the Operator only against appropriate documents ie tax invoice/Bill of entry for availing CENVAT / VAT credit (as applicable).

The tax invoices as per above provisions should invariably contain the following particulars:

- (i) Name, Address and the Registration Number (under the relevant Tax Rules) of the Service Provider (Contractor);
- (ii) Name and Address of the Service Receiver (Address of the Operator);
- (iii) Description, Classification and Value of taxable service / goods and the amount of applicable tax (i.e. Service tax / Excise Duty / VAT – separately indicating education cess and Secondary & Higher Education Cess, wherever applicable).

In case of imported goods, contractor/supplier is required to provide original bill of entry or copy of Bill of Entry duly attested by Custom authority which is required for availing CENVAT Credit.

15.5.1 While submitting the invoice for payment, CONTRACTOR should submit the following details / statement as an attachment to the invoice:

|           |   |                  |
|-----------|---|------------------|
| <u>a.</u> | <u>Cost of Service _____</u>  | <u>Rs. _____</u> |
| <u>b.</u> | <u>Service Tax/Excise Duty (Central Levy)/VAT (State Levy), as applicable _____</u>   | <u>Rs. _____</u> |
| <u>c.</u> | <u>Total amount including Service Tax/Excise Duty/VAT ( i.e. a+b)</u>   | <u>Rs. _____</u> |
| <u>d.</u> | <u>Less: CENVAT Credit / VAT Credit, legally becomes available due to Change in Law (alongwith details of disclosure as per clause 15.8.7 below).</u> | <u>Rs. _____</u> |
| <u>e.</u> | <u>Net payable by the Operator</u>  | <u>Rs. _____</u> |

(BL/03/13 dated 04.03.2009)

**15.6 CUSTOMS DUTY: - (applicable for Charter hire services using CONTRACTOR's capital equipment like rigs/equipments/tools etc and for PEL/ML areas issued or renewed after 1.4.1999 and NELP areas, where Customs duty is not payable as per the policy of Govt. of India in vogue).**

For import of rigs/equipments/tool in these areas, Corporation will provide Recommendatory Letter (RL) to the contractor so that they obtain Essentiality Certificate (EC) from DGH for availing concessional rate of Customs duty for import of rigs/equipments/tools for deployment in PEL/ML/NELP areas where Customs duty is not applicable. For spares, consumables and accessories required during the execution of the contract for operation and maintenance of equipment/rigs and equipments, Corporation shall also issue Recommendatory Letter to the contractor for obtaining EC for availing concessional rate of

Customs duty. Accordingly, the Customs duty for neither rigs/equipments/tools nor for spares, consumables and accessories required for operation and maintenance of equipment/rigs and equipments is to be included in the quoted price. As no Customs duty is payable, no duty draw back would be available in this category. As regards, re-export of rigs/equipments/tools (owned or on lease basis) brought by the contractor (whether Indian or foreign) for deployment in PEL/ML/NELP area is concerned, as the rigs/equipments/tools would be imported by the contractor without payment of CUSTOMS DUTY after expiry of the contract with ONGC, the contractor would have to either re-export the rigs/equipments/tools or deploy the rigs/equipments/tools in areas where Customs Duty is not applicable (PEL/ML/NELP areas) after getting a fresh EC from DGH. In case the contractor deploys the rigs/equipments/tools in an area where the Customs duty is applicable, then the contractor has to get his rigs/equipments/tools cleared from Customs Authorities after payment of Customs duty. The contractor shall also have to indemnify the Corporation against any claim that may arise due to violation of the Customs Act or the Foreign Trade Policy by them. In case any rigs/equipments/tools are required to be replaced by the contractor during the execution of the contract, the Corporation shall issue a fresh RL so that contractor can obtain a fresh EC from the DGH and bring the rigs/equipments/tools without payment of Customs Duty.

All imports under the contract shall be done with Corporation's prior approval only. The Contractor shall be responsible to carry out all the formalities. In case of any mis-declarations or offences committed under the Customs rules and regulations and also allied rules, fine, penalty or any other charges levied by the concerned authorities on Corporation shall be borne by the Contractor including the element of interest on Corporation's funds blocked under such circumstances. Corporation shall be indemnified by the Contractor against all actions by Govt. or any other agency for acts of commission and omission.

Contractor shall be responsible to import the rigs/equipments/tools for execution of the contract. The contractor shall undertake to complete all the formalities as required under the Customs Act / Foreign Trade Policy (FTP) and indemnify ONGC from all the liabilities of Customs in this regard.

The rigs/equipments/tools imported by the Contractor for deployment in PEL/ML/NELP shall not be used / deployed by the Contractor for any purpose other than the jobs arising out of the contract awarded by Corporation and in the event of the rigs/equipments/tools being misused or put to use other than specified use, the Contractor shall be liable to pay fine, penalty and other actions taken by the Customs department and other authorities for violation of the customs rules and regulations and other allied roles. Contractor should also compensate Corporation for the duty element in such cases.

**CUSTOMS DUTY: - (applicable for Charter hire services using Contractor's capital equipment like rigs/equipments/tools etc. and for non-PEL/ML areas where Customs Duty is payable).**

In case of service contracts using Contractors capital equipment like rigs/equipments/tools etc, the applicable Customs duty will be considered in evaluation and will be paid directly by ONGC to the customs authorities. However, the contractor shall be required to submit a Bank Guarantee (as per proforma attached at \_\_\_\_\_) to ONGC for the amount equivalent to the amount of Customs Duty, which has been paid by ONGC to the Customs Deptt. on behalf of the contractor. The BG shall be valid till the expiry of the contract period.

Contractor shall be required to indicate the cost of rigs/equipments/tools as well as the equipment (in case of charter hire of rigs) on which Customs duty is payable. Customs duty, wherever applicable, for the rigs/equipments/tools shall be calculated at the applicable rate of Customs duty as on the date of opening of the price bid or revised price bid as the case may be and shall be taken into account for evaluation of EDR. If Customs authorities assess that the cost of the rigs/equipments/tools on which Customs duty is payable is higher than what has been indicated in the bid, then Corporation would restrict payment of Customs duty, upto the amount calculated based on the cost of the rigs/equipments/tools

indicted by the bidder in their bid only. In case the Customs authorities assess that the cost of the rigs/equipments/tools on which the Customs duty is payable is lower than what has been indicated in the bid, then, Corporation would pick up the duty at actual.

Customs duty on spares, consumables and accessories shall not be added to above and shall be paid directly by the Contractor. For availing of concessional rate of Customs duty, if any, on the spares, consumables, accessories, explosives etc. Contractor will make his or her own arrangement to apply to Directorate General of Hydrocarbons, New Delhi. Corporation will provide necessary certification on application that the spares, consumables, accessories, explosives etc. imported for the Contract are for oil field services.

All imports under the contract shall be done with Corporation's prior approval only. The Contractor shall be responsible to carry out all the formalities including payment of dues wherever applicable except for the payment of customs duty, which shall be paid by Corporation as above. In case of any mis-declarations or offences committed under the Customs rules and regulations and also allied rules, fine, penalty or any other charges levied by the concerned authorities on Corporation shall be borne by the Contractor including the element of interest on Corporation's funds blocked under such circumstances. Corporation shall be indemnified by the Contractor against all actions by Govt. or any other agency for acts of commission and omission.

Contractor shall be responsible to import the rigs/equipments/tools for execution of the contract. The contractor shall undertake to complete all the formalities as required under the Customs Act / Foreign Trade Policy (FTP) and indemnify ONGC from all the liabilities of Customs in this regard.

The Contractor shall be responsible to ensure that only the items authorised by operating department of Corporation are consigned to the Corporation for the purpose of payment of Customs duty. In case of shipment of any item for which Corporation is not responsible to pay Customs duty, the Contractor shall pay such Customs duty to Corporation directly and if such transactions delay final payment of Customs duty to customs authorities, interest/ penalty if any levied by customs authorities shall be borne by the Contractor.

The rigs/equipments/tools on which the duty is paid by Corporation shall not be used / deployed by the Contractor for any purpose other than the jobs arising out of the contract awarded by Corporation and in the event of the rigs/equipments/tools being misused or put to use other than specified use, the Contractor shall be liable to pay fine, penalty and other actions taken by the Customs department and other authorities for violation of the customs rules and regulations and other allied roles. Contractor should also compensate Corporation for the duty element in such cases.

If there is any change in the rate of duty due to misleading nomenclature of the rigs/equipments/tools, the additional duty element shall have to be borne by the Contractor.

Any statutory variation (both plus and minus) in the rate of Custom duty within the contractual completion period shall be to the account of Corporation. Any increase in Customs duty during the period between the stipulated date of deployment of rigs/equipments/tools and actual date of deployment, in case of late deployment, with the prior approval of Corporation, will be to Contractor's account. However any decrease in Customs duty during such period will be to the account of Corporation. This is without prejudice to any other clause including Liquidated Damages clause.

If duty drawback is available, i.e in case of premature termination of the contract (before a period of 18 months) or if contract duration is less than 18 months, than in that case ONGC would be entitled to receive the benefit of duty drawback and the Contractor shall pass on the amount of duty drawback to the

Corporation. All the necessary documents as regards the Customs duty paid by the contractor and the amount of duty draw back received by them shall also have to submitted by the Contractor to the Corporation.

The Bank Guarantee submitted by the contractor as per the above provisions for the amount equivalent to the amount of Customs Duty, which has been paid by ONGC to the Customs Deptt. on behalf of the contractor, shall be forfeited by ONGC, in the following situations:

- (i) If the contractor fails to avail and / or pass on the benefit of duty drawback to ONGC, whenever applicable, the Bank Guarantee shall be forfeited to the extent of an amount equivalent to the duty drawback eligible.
- (ii) If the contractor fails to fulfill any of the contractual obligations or violates any of the contractual conditions, resulting into premature termination of the contract, then ONGC shall invoke the Bank Guarantee to recover an amount paid by it towards Customs Duty on behalf of the contractor in proportion to the period of the contract for which the services have not been rendered by the contractor to ONGC.

Note: Financial evaluation methodology should be framed by the Work center accordingly by subtracting the Duty draw back if the same is available in case the contract period is less than 18 months.

## **15.7 TAXES, DUTIES AND LEVIES**

Except under the provisions in the Clause 15.5 and 15.6 above, the Operator shall not be liable to pay or reimburse any taxes, duties and levies including but not limited to the taxes, duties and levies imposed on the income of the Contractor, its employees or any taxes, levies etc. on any purchases made by the Contractor/its employees or sub-contractor.

(BL/03/15 dated 27.10.2009)

## **15.8 CHANGE IN LAW:**

15.8.1 In the event of introduction of any new legislation or any change or amendment or enforcement of any Act or Law, rules or regulations of Government of India or State Government(s) or Public Body which becomes effective after the date of submission of Price Bid or revised price bid, if any, for this CONTRACT and which results in increased cost of the works under the CONTRACT through increased liability of taxes, (other than personnel and Corporate taxes), duties, the CONTRACTOR shall be indemnified for any such increased cost by the CORPORATION subject to the production of documentary proof to the satisfaction of the CORPORATION to the extent which directly is attributable to such introduction of new legislation or change or amendment as mentioned above and adjudication by the competent authority & the courts wherever levy of such taxes / duties are disputed by CORPORATION.

15.8.2 Similarly, in the event of introduction of new legislation or any change or amendment or enforcement of any Act or Law, rules or regulations of Government of India or State Government(s) or Public Body which becomes effective after the date of submission of Price Bid or revised price bid, if any, for this CONTRACT and which results in any decrease in the cost of the works through reduced liability of taxes, (other than personnel and Corporate taxes) duties, the CONTRACTOR shall pass on the benefits of such reduced cost, taxes or duties to the CORPORATION, to the extent which is directly attributable to such introduction of new legislation or change or amendment as mentioned above.

(BL/03/20 dated 13.07.2010)

15.8.3 All duties, taxes (except where otherwise expressly provided in the Contract) as may be levied / imposed in consequences of execution of the Works/Services or in relation thereto or in connection therewith as per the Acts, Laws, Rules, Regulations in force on the date of submission of Price Bid or revised price bid, if any, for the this CONTRACT shall be to CONTRACTOR's account. Any increase / decrease in the net amount of such duties, taxes (i.e. the amount of taxes/duties payable minus eligible credit of taxes / duties paid on input services / input) after the date of submission of price bid or revised price bid, if any, but within the contractual completion / mobilization date as stipulated in the CONTRACT will be to the account of the Operator.

15.8.4 Any increase in net amount of the duties and taxes (i.e. the amount of taxes/duties payable minus eligible credit of taxes / duties paid on input services / inputs) after the contractual completion / mobilization date during the extended period will be to the contractor's account, where delay in completion /mobilization period is attributable to the CONTRACTOR. However, any decrease in net amount of the duties and taxes (i.e. the amount of taxes/duties payable minus eligible credit of taxes / duties paid on input services / inputs) after the contractual completion / mobilization date will be to the Operator's account.

(BL/03/15 dated 27.10.2009)

15.8.5 The Contract Price and other prices given in the Schedule of Prices are based on the applicable tariff as indicated by the CONTRACTOR in the Schedule of Prices. In case this information subsequently proves to be wrong, incorrect or misleading, CORPORATION will have no liability to reimburse/pay to the CONTRACTOR the excess duties, taxes, fees, if any finally levied / imposed by the concerned authorities. However, in such an event, CORPORATION will have the right to recover the difference in case the rate of duty/tax finally assessed is on the lower side.

15.8.6 Notwithstanding the provision contained in clause 15.8.1 to 15.8.4 above, the CORPORATION shall not bear any liability in respect of :

- (i) Personal taxes on the personnel deployed by CONTRACTOR, his sub-contractor / sub-sub contractors and Agents etc.
- (ii) Corporate taxes and Fringe benefit tax in respect of contractor and all of their sub-contractors, agents etc.
- (iii) Other taxes & duties including Customs Duty, Excise Duty and Service Tax in addition to new taxes etc. in respect of sub-contractors, vendors, agents etc of the CONTRACTOR.

(BL/03/20 dated 13.07.2010)

15.8.7 In order to ascertain the net impact of the revisions / enactment of various provisions of taxes / duties, the CONTRACTOR is liable to provide following disclosure to the Operator:

- (i) Details of each of the input services used in relation to providing service to the Operator including estimated monthly value of input service and service tax amount.
- (ii) Details of Inputs (material/consumable) used/required for providing service to the Operator including estimated monthly value of input and excise duty/CVD paid/payable on purchase of inputs.

## **16.0 RESPONSIBILITY FOR LOSS OF OR DAMAGE TO THE EQUIPMENT OR THE HOLE.**

16.1 Loss Of Contractor's Drilling Unit Except as otherwise specifically provided in this Agreement, any damage to or loss, of the Drilling Unit (which, for the purpose of this Article 16,1 shall be deemed to include all Contractor's and its sub-contractors equipment) and regardless of the cause or reason for said, loss, shall be the loss of the Contractor its Underwriters or insurers and Contractor indemnifies Operator, its Co-licensees and its and their affiliate Companies, Agents, Employees, Invitees, Servants, their Underwriters or Insurers (other than Contractor's) and their employees against any claim whatsoever or responsibility for any damage to or loss of the Drilling Unit or any other equipment or property of Contractor or Contractor's sub-contractors furnished or intended for use in the operations herein undertaken.

16.2 If the Drilling Unit or any part thereof is lost or damaged beyond repair or becomes an actual or constructive compromised, arranged loss or obstruction to navigation or the operations of the Operator or is otherwise abandoned, the Contractor shall, if required by Operator or by the laws regulation or order of Governmental Authorities or agency remove the Drilling Unit from Offshore area to the satisfaction of the Operator. If the Contractor unreasonably delays in removing the Drilling Unit or any part thereof, the Operator may remove it and the Contractor shall indemnify and reimburse Operator for all cost and expenses incurred by the Operator in connection therewith. Any expense incurred by the Operator in connection with or for locating the area/price of such loss/damage and/or to ascertain whether such loss/damage has resulted in any pollution or not, shall also be reimbursed by the Contractor to Operator.

## **16.3 LOSS OR DAMAGE TO CONTRACTOR'S DOWN HOLE EQUIPMENT**

Operator shall reimburse Contractor for loss of or damage to Contractor's downhole equipment, as under, provided that such loss or damage is not occasioned by normal wear and tear or negligence on the part of the Contractor.

(a) In the case of Contractor's down-hole equipment being damaged, Operator will reimburse Contractor such repair cost, provided however, that Operator shall not be required to reimburse Contractor any amount greater than that which would have been due had such equipment been lost and, therefore, calculated under sub-section (b) herein below.

(b) In the case of Contractor's down hole equipment being lost, Operator will reimburse Contractor 75% of the replacement cost, F.O.B. nearest port of the vendor.

## **16.4 OPERATORS EQUIPMENT**

Operator shall assume the risk of and shall be solely responsible for, damage to and loss or destruction of material, and equipment or supplies furnished by Operator.

In case there is a loss or damage to Operator's equipment for causes attributable to Contractor, the Contractor shall indemnify the Operator.

## **16.5 LIABILITY FOR THE WELL**

Operator shall be liable for the cost of regaining control of any wild well as well as the cost of removal of debris, and shall indemnify Contractor, for any such cost, regardless of the cause thereof, including but not limited to the negligence of Contractor, its Agents, Employees or sub-contractors Operator shall be responsible for and shall indemnify and hold harmless Contractor from any claims in

respect of loss or damage to the hole or well. In the event the hole is lost or damaged because of the negligence of Contractor, Contractor's sole responsibility thereafter shall be the obligation to repair such damage within the limits of Contractor's normal complement of equipment and personnel or redrill the hole in the same well or an alternate well to the depth at which, such hole was lost at a rate equal to fifty (50) percent of the Operating Rate only by deploying the drilling unit and personnel provided however, that in the case of any relief well, Operator shall be solely responsible for all other costs or damage with respect to such loss or damage, regardless of the cause of such loss or damage.

## **16.6 DAMAGE TO PIPELINE, PLATFORMS OR DRILLING RIGS**

Contractor shall be responsible and hold Operator harmless for any damages to pipeline, platform drilling rigs (other than drilling unit) vessels, or other third party materials or equipment in the area of operation for reasons attributed to the gross negligence of the Contractor, provided that Contractor's liability shall not exceed Rs.20 lakhs per occurrence. The Operator shall be responsible for and shall indemnify and hold Contractor harmless for all amounts in excess thereof.

## **17.0 BLOWOUT OR CRATER**

### **17.1 COST OF CONTROL OF BLOWOUT**

[\(BL/03/24 dated 02.02.2012\)](#)

In the event any Well being drilled hereunder shall go out of control (Blowout) due to any causes, Contractor will bear the cost and expense of killing the Well or otherwise bringing the Well under control upto US Dollar One Million for each incident and in this regard Operator shall indemnify and hold Contractor harmless in excess of US Dollar One Million for each incident. This applies only to the cost of bringing the well under control and is not to be interpreted as an assumption by Operator of any liability for injuries, to Contractor's personnel and or damage to the Drilling Unit, caused by such blowout to the Contractor, except as otherwise provided under the terms and conditions of this Agreement.

### **17.2 USE OF CONTRACTOR'S EQUIPMENT.**

Subject to clause 9.1, Operator shall have the right to use the Drilling Unit and all of Contractor's equipment and personnel provided under this Agreement during such times as Operator or both Operator and Contractor are engaged in bringing a well under control.

## **18.0 UNDERGROUND DAMAGE**

18.1 Operator agrees to indemnify and hold Contractor harmless from any and all claims against Contractor based on any incidents arising out of or occurring during the term of this Agreement on account of injury to, destruction of or loss or impairment of any property rights in or to oil, gas or other mineral substance or water if at the time of the act or omission causing such injury, destruction, loss or impairment such substances had not been reduced to physical possession above the surface of the earth, and including any loss or damage to any formation strata or reservoir beneath the surface of the earth.

## **19.0 WAIVERS AND AMENDMENTS**

### **19.1 WAIVERS**

No term or condition shall be deemed waived/amended unless such waiver/amendment is

mutually agreed to by both the parties and is executed in writing by the duly authorised agents or representatives of the parties.

## **19.2 AMENDMENTS OF DRILLING AND COMPLETION PROGRAMME**

It is agreed that Contractor shall carry out Drilling, coring, testing, completions, abandonment and any and all other operations, in accordance with the well drilling and completion programme to be furnished by Operator, which may be amended from time to time by reasonable modifications as Operator deems fit, subject, however, within the capability of drilling unit, in accordance with good oilfield practices.

## **20.0 LOSS OF DRILLING UNIT**

If the Drilling Unit is declared to be a total loss and/or construed to be total loss, as determined by the applicable insurance coverage, this Contract shall terminate in respect of that drilling unit(s) as of the occurrence of the event causing such loss and each party shall thereupon be released of all further obligations hereunder in respect of that drilling unit(s), except for its payment of monies then due or liabilities to be discharged in respect of work already done under this Contract in respect of that drilling unit(s).

## **21.0 FORCE MAJEURE**

### **21.1 CONDITIONS FOR FORCE MAJEURE**

In the event of either party being rendered unable by Force Majeure to perform any obligation required to be performed by them under the Agreement, the relative obligation of the party affected by such Force Majeure shall, upon notification to the other party, be suspended for the period during which such cause lasts.

The term "Force Majeure" as employed herein shall mean Tempest, War, civil riot, fire (applicable in case of charter hire of rig for off-shore operations)/earthquake, war, civil riot, fire, flood (applicable in case of charter hire of rig for onshore operations) and Acts, Rules and Regulations of Govt. of India.

Upon the 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 hours of the alleged beginning and ending thereof, giving full particulars and satisfactory evidence in support of its claim.

Time for performance of the relative obligation suspended by the Force Majeure, shall then stand extended by the period for which such cause lasts.

Such Force Majeure situations shall be paid at 2/3rd of non-Operating rate for a period of first

fifteen days, and if such Force Majeure lasts for a further period, then for a further period of 15 days Contractor shall be paid at 1/3 of the Non-Operating rate in excess of first 15 days after which zero rate shall be payable to the Contractor and either party shall have the right to terminate this Agreement by giving 15 days notice unless otherwise mutually agreed.

## **21.2 WEATHER AND WAITING ON DAY LIGHT.**

The parties hereto agree that waiting on weather/waiting on day light shall not be considered as Force Majeure. Weather in this case means temporary conditions of wind, waves or tides, which make it unsafe or hazardous to conduct operations hereunder. The non-operating rate shall be applicable during these conditions.

## **22.0 TERMINATION**

### **22.1 TERMINATION ON EXPIRY OF THE TERM**

This Agreement shall be deemed to have been automatically terminated on the expiry of the Primary Term unless the Operator has exercised its option to extend this Agreement in accordance with the provision of this agreement.

### **22.2 TERMINATION ON ACCOUNT OF FORCE MAJEURE**

Either party shall have the right to terminate this Agreement on account of Force Majeure, as set forth in Article 21 herein above.

### **22.3 TERMINATION DUE TO LOSS OF DRILLING UNIT**

Should the Drilling Unit be lost or be missing and presumed lost or if the Drilling Unit should become a total loss, (constructive arranged or compromised), this Agreement will be deemed to have been terminated without notice, in terms of Article 20.0. No payment whatsoever other than amount previously earned shall be due from the Operator to the Contractor as from that date.

### **22.4 TERMINATION ON ACCOUNT OF INSOLVENCY**

In the event the Contractor or its collaborator at any time during the term of this Agreement becomes insolvent or makes a voluntary assignment of its assets for the benefit of creditors or is adjudged bankrupt, then the Operator shall, by a notice in Writing have the right to terminate this Agreement and all the Contractor's rights and privileges hereunder, shall stand terminated forthwith.

### **22.5 TERMINATION FOR UNSATISFACTORY PERFORMANCE**

If the Operator considers that the performance of the Contractor is unsatisfactory or, not upto the expected standard, the Operator shall notify the Contractor in writing and specify in detail the cause of such dissatisfaction. The Operator shall have the option to terminate this Agreement by giving 30 days notice in writing to the Contractor, if, Contractor fails to comply with the requisitions

contained in the said written notice issued by the Operator, in accordance with Articles 3.6 and 3.10.

## **22.6 DUE TO CHANGE OF OWNERSHIP AND ASSIGNMENT**

In case the Contractor's rights and/or obligations under this Agreement and/or the Contractor's rights, title and interest to the Drilling Unit are transferred or assigned without the Operator's consent, the Operator may, at its absolute discretion, terminate this Agreement, as provided in Article 25.1 "Assignment and change of ownership" hereunder.

**(BL/03/19 dated 09.07.2010)**

### **22.7 TERMINATION FOR DELAY IN MOBILISATION**

If the CONTRACTOR (successful bidder) fails to mobilize and deploy the Drilling Unit within the stipulated time, Operator shall have, without prejudice to any other clause of the CONTRACT, the right to terminate the contract.

**(BL/03/01 dated 30.12.99)**

**22.8 TERMINATION WITH NOTICE:** Notwithstanding the provisions of clause of the contract with respect to the depth to be drilled, ONGC shall have the right / option to direct the stoppage of the work to be performed by the contractor, even though the contractor has made no fault hereunder. In such event the parties to the contract will be discharged and excused from performing their obligations any further, provided a written termination notice of 30 days is given by ONGC to the contractor. The contract shall be deemed to be terminated on completion of said notice period. In the event of such termination, the parties will remain liable to each other till the expiry of the notice period only and no damage/compensation will arise thereafter.

### **22.9.0 CONSEQUENCES OF TERMINATION**

22.9.1 In all cases of termination herein set forth, the obligation of the Operator to pay the day rate and/or any other charges, shall be limited to the period upto the date of termination. In case of "Termination with Notice", the Non-operating Day Rate will be applicable during the notice period i.e. till the contract is terminated under the provision. Notwithstanding the termination of this Agreement, the parties shall continue to be bound by the provisions of this Agreement that reasonably require some action or forbearance after such termination.

In case of termination of Contract herein set forth, except under 22.1 and 22.2, 22.3, 22.8 and / or annulment of the contract due to non-submission of Performance Security (as per clause \_\_\_\_\_ of Annexure-I) [Work center to indicate relevant clause number], following actions shall be taken against the Contractor:

- i. Operator shall conduct an inquiry against the Contractor and consequent to the conclusion of the inquiry, if it is found that the fault is on the part of the Contractor, then they shall be put on holiday [i.e neither any tender enquiry will be issued to such a Contractor by Operator against any type of tender nor their offer will be considered by Operator against any ongoing tender(s) where contract between Operator and that particular Contractor (as a bidder) has not been concluded] for a period of two years from the date the order for putting the Contractor on holiday is issued. However, the action taken by Operator for putting that Contractor on holiday

shall not have any effect on other ongoing contract(s), if any with that Contractor which shall continue till expiry of their term(s).

- ii. Pending completion of the enquiry process for putting the Contractor on holiday, Operator shall neither issue any tender enquiry to the defaulting Contractor nor shall consider their offer in any ongoing tender

**22.9.2** Upon termination of this Agreement, Contractor shall return to Operator all of Operator's equipment which are at that time in Contractor's possession except in case of loss of Drilling Unit as specified in Article 22.3.

## **22.10 FOREIGN COLLABORATION:**

It is a condition of this Agreement that the Contractor shall have and continue to have technical collaboration with \_\_\_\_\_ at Exhibit \_\_\_\_\_ during the period of this Agreement both Primary Term and extensions if any. The obligations of the foreign collaboration on behalf of the Contractor for purpose of this Agreement shall be as specified in Exhibit.....of this Agreement. The foreign collaborator.....within fifteen days of entering into this Agreement shall confirm their obligations to the Operator.

In the event the Foreign Collaborator does not provide the services or FCA is terminated or ceases to exist for any reason whatsoever during the currency of this Agreement, the Operator shall have the right to terminate this Agreement after giving a notice of 90 days during which period the Contractor shall either resolve or enter into new FC duly approved by the Govt. of India, without any liability whatsoever on the part of the Operator.

## **22.11 SEVERABILITY**

Should any provision of this agreement be found to be invalid, illegal or otherwise not enforceable by any court of law, such finding shall not affect the remaining provisions hereto and they shall remain binding on the parties hereto.

## **22.12 RE-EXPORTATION OF EQUIPMENT AND DUTY DRAW BACK (APPLICABLE IN CASE UNIT IS BROUGHT FROM ABROAD ON LEASE BASIS).**

It shall be the responsibility of the Contractor, if so required by law, to complete formalities of re-exporting the imported equipment after completion of the work under the contract and also to apply and obtain the duty draw back, if any. The Operator will not take any liability on this account.

## **23.0 INFORMATION - CONFIDENTIAL**

All information obtained by Contractor in the conduct of operations hereunder, including but not

limited to depth, formation penetrated, the result of coring, testing and surveying, shall be considered as confidential and shall not be divulged by Contractor or its employees to any person, firm or corporation other than Operator's designated representative, unless otherwise asked by Operator in writing.

## **24.0 PREFERENCE TO LOCAL COMPANIES**

Contractor agrees to give priority and preference to locally owned companies, when hiring Sub contractor, SUBJECT TO price, quality and delivery being equivalent.

### **24.1 UTILISATION OF AIR-INDIA SERVICES.**

Contractor agrees to give priority and preference to Air India Services, during its every crew change, subject to non-hampering of their schedules.

## **25.0 ASSIGNMENT OF CONTRACT**

### **25.1 ASSIGNMENT BY CONTRACTOR**

Contractor agrees not to sub-let or assign this Agreement or interest or any part thereof to an Indian Joint Venture Co./Indian Co. having approved technical backup without first obtaining the written consent of Operator and at such time that:

I. Adequate arrangements being made by Contractor in terms of expertise and experienced personnel to ensure due performance of said Agreement.

II. The Government of India has fully approved the joint venture applications for formation of such joint venture Indian Company or has approved Technical Collaboration of an Indian Co. and

III. The ownership of the Drilling Unit has been transferred to such Indian Company or such Indian Co. has acquired the Drilling Unit on lease basis.

However, the assignment shall be on same rates, terms and conditions. Contractor shall remain fully liable and responsible to Operator for complete performance of all its obligation envisaged under this Agreement.

### **25.2 ASSIGNMENT BY OPERATOR**

Operator shall have the right, at any time, to assign all or any part of its rights hereunder, to an affiliated Company or a third party provided that Operator shall remain fully liable and responsible to Contractor to complete performance of all its obligations imposed by this Agreement.

**26.0 CONSEQUENTIAL DAMAGES**

Notwithstanding either party's fault, neither party shall be liable to the other party in respect of any consequential damages whatsoever. The term "Consequential Damages" as used herein shall include without limitations to the meaning, loss of profit, production, business opportunities or use of assets.

**27.0 WRITTEN NOTICES**

All notices shall be in writing and may be delivered personally to any Officer or Manager at the addresses specified below, unless changed by Notice or may be sent by registered mail to said address, postage prepaid, or may be sent by telex, telegram or cable, charges prepaid confirmed by copy of such telex, telegram or cable sent by registered mail to said address. The addresses referred to are :

For Operator

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For Contractor

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**28 ARBITRATION**

(BI/03/22 dated 01.03.2011)

**28.1 ARBITRATION (Applicable in case of supply orders/Contracts with firms, other than Public Sector Enterprises) (Not applicable in cases valuing less than Rs 5 lakhs)**

Except as otherwise provided elsewhere in the contract, if any dispute, difference, question or disagreement arises between the parties hereto or their respective representatives or assignees, in connection with construction, meaning, operation, effect, interpretation of the contract or breach thereof which parties are unable to settle mutually, the same shall be referred to Arbitration as provided hereunder:

1. A party wishing to commence arbitration proceeding shall invoke Arbitration Clause by giving 60 days notice to the other party. The notice invoking arbitration shall specify all the points of disputes with details of the amount claimed to be referred to arbitration at the time of invocation of arbitration and not thereafter. If the claim is in foreign currency, the claimant shall indicate its value in Indian Rupee for the purpose of constitution of the arbitral tribunal.

2. The number of the arbitrators and the appointing authority will be as under:

| <u>Claim amount (excluding claim for interest and counter claim, if any)</u> | <u>Number of arbitrator</u>  | <u>Appointing authority</u>   |
|--|--|---|
| <u>Upto Rs. 50 lakhs</u>   | <u>Sole Arbitrator to be appointed from a panel of retired officers from ONGC/other PSU/Non-PSU organizations.</u> | <u>ONGC</u><br><u>[Note: ONGC will forward a list containing names of five retired officers from ONGC/other PSU/Non-PSU organizations for selecting one from the list who will be appointed as sole arbitrator by ONGC]</u> |
| <u>Above Rs. 50 lakhs to Rs.5 crores</u>                                     | <u>Sole Arbitrator to be appointed from a panel of retired Jurists</u>   | <u>ONGC</u><br><u>[Note: ONGC will forward a list containing names of five jurists to the other party for selecting one from the list who will be appointed as sole arbitrator by ONGC]</u>                                 |
| <u>Above Rs. 5 crores</u>  | <u>3 Arbitrators</u>   | <u>One arbitrator by each party and the 3rd arbitrator, who shall be the presiding arbitrator, by the two arbitrators. ONGC will appoint its arbitrator from the panel of jurists.</u>                                      |

3. The parties agree that they shall appoint only those persons as arbitrators who accept the conditions of this arbitration clause, including the fees schedule provided herein. No person shall be appointed as arbitrator or presiding arbitrator who does not accept the conditions of this arbitration clause.

4. Parties agree that there will be no objection if the Arbitrator appointed holds equity shares of ONGC and/or is a retired officer of ONGC / any other PSU. However, neither party shall appoint its serving employee as arbitrator.

5. If any of the Arbitrators so appointed dies, resigns, becomes incapacitated or withdraws for any reason from the proceedings, it shall be lawful for the concerned party/arbitrators to appoint another person in his place in the same manner as aforesaid. Such person shall proceed with the reference from the stage where his predecessor had left if both parties consent for the same; otherwise, he shall proceed de novo.

6. Parties agree that neither party shall be entitled for any pre-reference or pendente-lite interest on its claims. Parties agree that any claim for such interest made by any party shall be void.

7. The arbitral tribunal shall make and publish the award within time stipulated as under:

| <u>Amount of Claims and Counter Claims (excluding interest)</u> | <u>Period for making and publishing of the award (counted from the date of first meeting of the arbitrators):</u> |
|---|---|
| <u>Upto Rs. 5 crores</u>  | <u>Within 8 months</u>  |
| <u>Above Rs. 5 crores</u>                                       | <u>Within 12 months</u>   |

The above time limit can be extended by the arbitrator(s), for reasons to be recorded in writing, with the consent of the parties.

8. Arbitrators shall be paid fees at the following rates:

| <u>Amount of Claims and Counter Claims (excluding interest)</u> | <u>Lump sum fees (including fees for study of pleadings, case material, writing of the award, secretarial charges etc.) payable to each arbitrator (to be shared equally by the parties)</u> |
|---|--|
| <u>Upto Rs 50 lakhs</u>   | <u>Rs. 10,000 per meeting subject to a ceiling of Rs. 1,00,000/-.</u>  |
| <u>Above Rs 50 lakhs to Rs 1 crore</u>                          | <u>Rs. 1,35,000/- plus Rs. 1,800/- per lakh or a part there of subject to a ceiling of Rs. 2,25,000/-.</u>   |
| <u>Above Rs. 1 crore and upto Rs. 5 Crores</u>                  | <u>Rs. 2,25,000/- plus Rs. 33,750 per crore or a part there of subject to a ceiling of Rs. 3,60,000/-.</u>   |
| <u>Above Rs. 5 crores and upto Rs. 10 crores.</u>               | <u>Rs. 3,60,000/- plus Rs. 22,500/- per crore or a part there of subject to a ceiling of Rs. 4,72,500/-.</u>   |
| <u>Above Rs. 10 crores</u>                                      | <u>Rs. 4,72,500 plus Rs. 18,000/- per crore or part thereof subject to a ceiling of Rs. 15,00,000/-.</u>   |

9. If after commencement of the Arbitration proceedings, the parties agree to settle the dispute mutually or refer the dispute to conciliation, the arbitrators shall put the proceedings in abeyance until such period as requested by the parties. Where the proceedings are put in abeyance or terminated on account of mutual settlement of dispute by the parties, the fees payable to the arbitrators shall be determined as under:

- (i) 20% of the fees if the claimant has not submitted statement of claim.
- (ii) 40% of the fees if the pleadings are complete.
- (iii) 60% of the fees if the hearing has commenced.
- (iv) 80% of the fees if the hearing is concluded but the award is yet to be passed.

10. Each party shall pay its share of arbitrator's fees in stages as under:

- (i) 20% of the fees on filing of reply to the statement of claim.
- (ii) 40 % of the fees on completion of pleadings.
- (iii) 20% of the fees on conclusion of the final hearing.
- (iv) 20% at the time when award is given to the parties.

11. Each party shall be responsible to make arrangements for the travel and stay etc of the arbitrator appointed by it. Claimant shall also be responsible for making arrangements for travel / stay arrangements for the Presiding Arbitrator and the expenses incurred shall be shared equally by the parties.

In case of sole arbitrator, ONGC shall make all necessary arrangements for his travel/ stay and the expenses incurred shall be shared equally by the parties.

12. The Arbitration shall be held at the place from where the contract has been awarded. However, parties to the contract can agree for a different place for the convenience of all concerned.

13. The Arbitrator(s) shall give reasoned and speaking award and it shall be final and binding on the

parties.

14. Subject to the aforesaid conditions, provisions of the Arbitration and Conciliation Act, 1996 and any statutory modifications or re-enactment thereof shall apply to the arbitration proceedings under this clause.

## **28.2 Arbitration (Applicable in case of supply orders/Contracts on Public Sector Enterprises**

In the event of any dispute or difference relating to, arising from or connected with the contract, such dispute or difference shall be referred by either party to the arbitration of one of the Arbitrators in the Department of Public Enterprises, to be nominated by the Secretary to the Government of India, Incharge of the Bureau of Public Enterprises. The Arbitration & Conciliation Act 1996 shall not be applicable to the Arbitration under this clause. The award of the Arbitrator shall be binding upon parties to the dispute, provided however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Deptt. of Legal Affairs, Ministry of Law and Justice, Government of India. Upon such reference, the dispute shall be decided by the Law Secretary or the Special Secretary/ Additional Secretary, whose decision shall bind the parties finally and conclusively. The parties in the dispute will share equally the cost of the arbitration as intimated by the Arbitrator .

(BL/03/22 dated 01.03.2011)

## **28.3 Resolution of disputes through conciliation by OEC (Not applicable in cases valuing less than Rs 5 lakhs):**

If any dispute, difference, question or disagreement arises between the parties hereto or their respective representatives or assignees, in connection with construction, meaning, operation, effect, interpretation of the contract or breach thereof which parties are unable to settle mutually, the same may first be referred to conciliation through Outside Expert Committee ("OEC") to be constituted by CMD, ONGC as provided hereunder:

1. The party desirous of resorting to conciliation shall send a notice of 30 (thirty) days to the other party of its intention of referring the dispute for resolution through OEC. The notice invoking conciliation shall specify all the points of disputes with details of the amount claimed to be referred to OEC and the party concerned shall not raise any new issue thereafter.
2. CMD, ONGC shall nominate three outside experts, one each from Financial/commercial, Technical and Legal fields from the Panel of Outside Experts maintained by ONGC who shall together be referred to as OEC (Outside Experts Committee).
3. Parties shall not claim any interest on claims/counterclaims from the date of notice invoking conciliation till execution of settlement agreement, if so arrived at. In case, parties are unable to reach a settlement, no interest shall be claimed by either party for the period from the date of notice invoking conciliation till the date of OEC recommendations in any further proceeding.
4. The Proceedings of the OEC shall be broadly governed by Part III of the Arbitration and Conciliation Act, 1996 including any modifications thereof.
5. OEC shall hear both the parties and recommend possible terms of settlement between the parties. The recommendations of OEC shall be non-binding and the parties may decide to accept or not to accept the same. Parties shall be at liberty to accept the OEC recommendation with any modification they may deem fit.

6. Where recommendations are acceptable to both the parties, a settlement agreement will be drawn up in terms of the OEC recommendations or with such modifications as may be agreed upon by the parties. The settlement agreement shall be signed by both the parties and authenticated by all the OEC members either in person or through circulation. This settlement agreement shall have the same legal status and effect as that of an arbitration award on agreed terms on the substance of the dispute rendered by an arbitral tribunal under Section 30 of the Arbitration and Conciliation Act, 1996.

7. The parties shall keep confidential all matters relating to the conciliation proceedings. Confidentiality shall extend also to the settlement agreement, except where its disclosure is necessary for purposes of implementation and enforcement.

8. The parties shall not rely upon or introduce as evidence in any further arbitral or judicial proceedings, whether or not such proceedings relate to the dispute that is the subject of the conciliation proceedings.

- (a) views expressed or suggestions made by the other party in respect of a possible settlement of the dispute;
- (b) admissions made by the other party in the course of the OEC proceedings;
- (c) proposals made by the OEC;
- (d) the fact that the other party had indicated his willingness to accept a proposal for settlement made by the OEC.

9. The parties shall present their case before OEC only through their in-house executives. Neither party shall be represented by a lawyer unless OEC specifically desires that some issue of legal nature is in dispute that needs to be clarified / interpreted by a lawyer.

10. OEC members shall be entitled for the following fees and facilities:

| <u>Sl. No</u> | <u>Fees/ Facility</u>  | <u>Entitlement</u>   | <u>To be paid by</u> |
|---------------|--|--|----------------------|
| <u>1.</u>     | <u>Fees</u>  | <u>Rs. 10,000 per meeting subject to maximum of Rs. 1,00,000 for the whole case. In addition, one OEC member chosen by OEC shall be paid an additional amount of Rs. 10,000 towards secretarial expenses in writing minutes / OEC recommendations.</u> | <u>Claimant</u>      |
| <u>2.</u>     | <u>Additional Fee for attending meeting to authenticate the settlement agreement</u> | <u>Rs. 10,000/-.</u>   | <u>Claimant</u>      |
| <u>3.</u>     | <u>Transportation in the city of the meeting</u>                                     | <u>Luxury car or Rs. 1,500 per day.</u>  | <u>Claimant</u>      |
| <u>4.</u>     | <u>Venue for meeting</u>   | <u>ONGC conference rooms/Hotels</u>  | <u>ONGC</u>          |

| <b><u>Facilities to be provided to the out -stationed member</u></b> |  |  |                 |
|--|--|--|-----------------|
| <u>5.</u>  | <u>Travel from the city of residence to the city of meeting</u>                | <u>Business class air tickets/ first class train tickets/ Luxury car/ reimbursement of actual fare. However, entitlement of air travel by Business class shall be subject to austerity measures, if any, ordered by Govt of India.</u> | <u>Claimant</u> |
| <u>6.</u>  | <u>Transport to and fro airport / railway station in the city of residence</u> | <u>Luxury car or Rs. 2,000/-.</u>  | <u>Claimant</u> |
| <u>7.</u>  | <u>Stay for out stationed members</u>  | <u>5 Star Hotel.</u>   | <u>ONGC</u>     |
| <u>8.</u>  | <u>Transport in the city of meeting</u>  | <u>Luxury car or Rs. 1500 per day.</u>   | <u>Claimant</u> |

11. All the expenditure incurred in the OEC proceedings shall be shared by the parties in equal proportion. The parties shall maintain account of expenditure and present to the other for the purpose of sharing on conclusion of the OEC proceedings.

12. If the parties are not able to resolve the dispute through OEC or do not opt for conciliation through OEC, the party may invoke arbitration clause as provided in the contract.

## **29.0 JURISDICTION AND APPLICABLE LAW**

29.1 This Agreement including all matter connected with this Agreement, shall be governed by the laws of India (both substantive and procedural) for the time being in force and shall be subject to exclusive jurisdiction of the Indian Courts (the place where the contract is signed in India).

(BL/03/09 dated 07.06.2007)

## **30.0 INTEGRITY PACT (applicable for tenders above Rs 1 Crores):**

The Integrity pact, duly signed by the authorized official of ONGC and the Contractor, will form part of this contract / supply order.

## **31.0 ENTIRE AGREEMENT**

31.1 This Agreement supersedes all prior Agreements and commitments, whether oral or in writing between the parties concerning the subject matter thereof. The right of either party to require strict performances will not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification will be binding on a party unless signed by an authorised representative of Contractor and Operator.

31.2 It is not intended that there be any conflict between this Agreement and the Exhibits thereto, which are a part hereof for all purposes, but the Agreement shall take precedence in the event of any such conflict.

31.3 Notwithstanding the termination of this Agreement, the parties shall continue to be bound by the provisions of the Agreement that reasonably require some action or forbearance after the expiration of the term of this Agreement.

In witness whereof, the parties hereto have executed this Agreement as of the day and year first above written.

For and on behalf of

For and on behalf of OIL & NATURAL GAS  
CORPORATION LTD. ....

(Contractor)

(Operator)

WITNESS:

1.

1.

WITNESS:

2.

2.

(BL/03/08 dated 10.05.2005)

In case any bidder makes any unsolicited communication in any manner, after bids have been opened (for tenders processed either on single bid or on two bid basis), the bid submitted by the particular bidder shall be summarily rejected, irrespective of the circumstances for such unsolicited communication.

Further, if the tender has to be closed because of such rejection, and the job has to be re-tendered, then the particular bidder shall not be allowed to bid in the re-tender.

The above provision will not prevent any bidder from making representation in connection with processing of tender directly and only to the Competent Purchase Authority (CPA) as mentioned in the tender document. However, if such representation is found by CPA to be un-substantiated and / or frivolous and if the tender has to be closed because of the delays / disruptions caused by such representations and the job has to be re-tendered, then such bidder will not be allowed to participate in the re-invited tender.

In case, any bidder while making such representations to Competent Purchase Authority (CPA) also involves other officials of ONGC and / or solicits / invokes external intervention other than as may be permitted under the law and if the tender has to be closed because of the delays / disruptions caused by such interventions and has to be re-tendered, then the particular bidder will not be allowed to participate in the re-invited tender.

(BL/03/13 dated 04.03.2009)

Annexure .

Proforma for Irrevocable Bank Guarantee to be submitted by the contractor in lieu of payment of Customs Duty made by ONGC, on behalf of Contractor, against Service Contracts/Charter Hire of Rigs

Bank Guarantee No. \_\_\_\_\_

Date \_\_\_\_\_

Ref. \_\_\_\_\_

To  
\_\_\_\_\_ Oil & Natural Gas Corporation Limited,  
\_\_\_\_\_  
\_\_\_\_\_.

Dear Sir,

1. In consideration of Oil & Natural Gas Corporation Limited, incorporated under the Companies Act, 1956, having its Registered Office at Jeevan Bharti, Tower-II , 124 Connaught Circus, New Delhi-110001, India and one of its offices at \_\_\_\_\_ (hereinafter referred to as 'ONGC', which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and assignees) having entered into a contract No. \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter called 'the Contract' which expression shall include all the amendments thereto) with M/s \_\_\_\_\_ having its registered/head office at \_\_\_\_\_ (hereinafter referred to as the 'Contractor') which expression shall, unless repugnant to the context or meaning thereof include all its successors, administrators, executors and assignees) and the contract having been unequivocally accepted by the Contractor for \_\_\_\_\_ (nature of work) and ONGC having agreed to make a **payment of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) directly to Customs Authorities, on behalf of the Contractor, towards Customs Duty for importing the rigs/equipments/tools etc. which are required to be deployed for the performance of the Contract** against the Bank Guarantee to be furnished by the Contractor.

2. We (name of the bank) \_\_\_\_\_ registered under the laws of \_\_\_\_\_ having head/registered office at \_\_\_\_\_ (hereinafter referred to as "the Bank", which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and permitted assignees) do hereby guarantee and undertake to pay immediately on first demand in writing any /all moneys to the extent of Indian Rs./US\$ (in figures) \_\_\_\_\_ (Indian Rupees/US Dollars (in words) \_\_\_\_\_) without any demur, reservation, contest or protest and/or without any reference to the Contractor. Any such demand made by ONGC on the Bank by serving a written notice shall be conclusive and binding, without any proof, on the bank as regards the amount due and payable, notwithstanding any dispute(s) pending before any Court, Tribunal, Arbitrator or any other authority and/or any other matter or thing whatsoever, as liability under these presents being absolute and unequivocal. We agree that the guarantee herein contained shall be irrevocable and shall continue to be enforceable until it is discharged by ONGC in writing. This guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the Contractor and shall remain valid, binding and operative against the bank.

3. The Bank also agrees that ONGC at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the Contractor and notwithstanding any security or other guarantee that ONGC may have in relation to the Contractor's liabilities.

4. The Bank further agrees that ONGC shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said contract or to extend time of performance by the said Contractor(s) from time to time or to postpone for any time or from time to time exercise of any of the powers vested in ONGC against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of ONGC or any indulgence by ONGC to the said Contractor(s) or any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

5. The Bank further agrees that the Guarantee herein contained shall remain in full force during the period that is taken for the performance of the contract and all dues of ONGC under or by virtue of this contract have been fully paid and its claim satisfied or discharged or till ONGC discharges this guarantee in writing, whichever is earlier.

6. This Guarantee shall not be discharged by any change in our constitution, in the constitution of ONGC or that of the Contractor.

7. The Bank confirms that this guarantee has been issued with observance of appropriate laws of the country of issue.

8. The Bank also agrees that this guarantee shall be governed and construed in accordance with Indian Laws and subject to the exclusive jurisdiction of Indian Courts of the place from where the purchase order has been placed.

9. Notwithstanding anything contained herein above, our liability under this Guarantee is limited to Indian Rs./US\$ (in figures) \_\_\_\_\_ (Indian Rupees/US Dollars (in words) \_\_\_\_\_) and our guarantee shall remain in force until \_\_\_\_\_.(indicate the date of expiry of bank guarantee)

Any claim under this Guarantee must be received by us before the expiry of this Bank Guarantee. If no such claim has been received by us by the said date, the rights of ONGC under this Guarantee will cease. However, if such a claim has been received by us within the said date, all the rights of ONGC under this Guarantee shall be valid and shall not cease until we have satisfied that claim.

In witness whereof, the Bank through its authorised officer has set its hand and stamp on this ..... day of .....200\_\_ at .....

WITNESS NO. 1

|   |   |
|---|---|
| _____   | _____   |
| (Signature)   | (Signature)   |
| Full name and official address (in legible letters) | Full name, designation and address (in legible letters) _____ with Bank stamp |
| _____   | Attorney as per power of  |
| _____   | Attorney No.....  |
| _____   | Dated .....   |

WITNESS NO. 2

\_\_\_\_\_

(Signature)

Full name and official address (in legible letters)

**INSTRUCTIONS FOR FURNISHING BANK GUARANTEE IN LIEU OF PAYMENT OF CUSTOMS DUTY, ON BEHALF OF CONTRACTOR, AGAINST SERVICE CONTRACTS/CHARTER HIRING OF SERVICES / LSTK CONTRACTS ETC.**

(Circular No. 13/2009 & BL amendment No. BL/03/14 dated 19.03.2009)

1. The Bank Guarantee by Indian Contractors will be given on non-judicial stamp paper / franking receipt as per stamp duty applicable at the place from where the contract has been finalized. The non-judicial stamp paper / franking receipt should be either in name of the issuing bank or the contractor.

2. Foreign parties are requested to execute bank guarantee as par law in their country.

3. Foreign bidders will give bank guarantee either in the currency of the offer or US \$ (US Dollar).i.e. Indian Rs/US \$ have been mentioned only for illustration. Therefore, in case where bank guarantee is being given in currency other than 'Rupees' or U.S.\$, indicate the relevant currency of the offer. For determining the equivalent amount of Customs duty (payable in Indian Rupees), in other currencies, the rate of exchange prevailing on the date of issue of Bank Guarantee would be applicable.

4. The expiry date as mentioned in clause 9 should be arrived at by adding 60 days to the contract completion date unless otherwise specified in the bidding documents.

5.(a) The Bank Guarantee by Indian contractor will be given from Nationalized/ Scheduled Banks only. The Foreign contractor will give Bank Guarantee from an Indian bank situated in their country.

(b) In case no Indian Bank is situated in foreign contractor's country, then Bank Guarantee from foreign Bank acceptable to ONGC as per the list of acceptable foreign banks (as enclosed in the bidding documents) will also be considered.

(c) If any foreign contractor desires to furnish bank guarantee from a bank other than those acceptable to ONGC, such contractor should furnish collateral security/ guarantee/ confirmation from any of the acceptable foreign banks or the State Bank of India.

(BL/03/13 dated 04.03.2009)

**Appendix-2**

Proforma for Irrevocable Bank Guarantee to be submitted by the contractor in lieu of payment of Customs Duty made by ONGC, on behalf of Contractor, against Service Contracts/Charter Hire of Rigs

Bank Guarantee No. \_\_\_\_\_

Date \_\_\_\_\_

Ref. \_\_\_\_\_

To

\_\_\_\_\_ Oil & Natural Gas Corporation Limited,  
\_\_\_\_\_  
\_\_\_\_\_.

Dear Sir,

1. In consideration of Oil & Natural Gas Corporation Limited, incorporated under the Companies Act, 1956, having its Registered Office at Jeevan Bharti, Tower-II , 124 Connaught Circus, New Delhi-110001, India and one of its offices at \_\_\_\_\_ (hereinafter referred to as `ONGC', which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and assignees) having entered into a contract No. \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter called 'the Contract' which expression shall include all the amendments thereto) with M/s \_\_\_\_\_ having its registered/head office at \_\_\_\_\_ (hereinafter referred to as the 'Contractor') which expression shall, unless repugnant to the context or meaning thereof include all its successors, administrators, executors and assignees) and the contract having been unequivocally accepted by the Contractor for \_\_\_\_\_ (nature of work) and ONGC having agreed to make a **payment of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) directly to Customs Authorities, on behalf of the Contractor, towards Customs Duty for importing the rigs/equipments/tools etc. which are required to be deployed for the performance of the Contract** against the Bank Guarantee to be furnished by the Contractor.

2. We (name of the bank) \_\_\_\_\_ registered under the laws of \_\_\_\_\_ having head/registered office at \_\_\_\_\_ (hereinafter referred to as "the Bank", which expression shall, unless repugnant to the context or meaning thereof, include all its successors, administrators, executors and permitted assignees) do hereby guarantee and undertake to pay immediately on first demand in writing any /all moneys to the extent of Indian Rs./US\$ (in figures) \_\_\_\_\_ (Indian Rupees/US Dollars (in words) \_\_\_\_\_) without any demur, reservation, contest or protest and/or without any reference to the Contractor. Any such demand made by ONGC on the Bank by serving a written notice shall be conclusive and binding, without any proof, on the bank as regards the amount due and payable, notwithstanding any dispute(s) pending before any Court, Tribunal, Arbitrator or any other authority and/or any other matter or thing whatsoever, as liability under these presents being absolute and unequivocal. We agree that the guarantee herein

contained shall be irrevocable and shall continue to be enforceable until it is discharged by ONGC in writing. This guarantee shall not be determined, discharged or affected by the liquidation, winding up, dissolution or insolvency of the Contractor and shall remain valid, binding and operative against the bank.

3. The Bank also agrees that ONGC at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance, without proceeding against the Contractor and notwithstanding any security or other guarantee that ONGC may have in relation to the Contractor's liabilities.

4. The Bank further agrees that ONGC shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said contract or to extend time of performance by the said Contractor(s) from time to time or to postpone for any time or from time to time exercise of any of the powers vested in ONGC against the said Contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Contractor(s) or for any forbearance, act or omission on the part of ONGC or any indulgence by ONGC to the said Contractor(s) or any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

5. The Bank further agrees that the Guarantee herein contained shall remain in full force during the period that is taken for the performance of the contract and all dues of ONGC under or by virtue of this contract have been fully paid and its claim satisfied or discharged or till ONGC discharges this guarantee in writing, whichever is earlier.

6. This Guarantee shall not be discharged by any change in our constitution, in the constitution of ONGC or that of the Contractor.

7. The Bank confirms that this guarantee has been issued with observance of appropriate laws of the country of issue.

8. The Bank also agrees that this guarantee shall be governed and construed in accordance with Indian Laws and subject to the exclusive jurisdiction of Indian Courts of the place from where the purchase order has been placed.

9. Notwithstanding anything contained herein above, our liability under this Guarantee is limited to Indian Rs./US\$ (in figures) \_\_\_\_\_ (Indian Rupees/US Dollars (in words) \_\_\_\_\_) and our guarantee shall remain in force until \_\_\_\_\_.(indicate the date of expiry of bank guarantee)

Any claim under this Guarantee must be received by us before the expiry of this Bank Guarantee. If no such claim has been received by us by the said date, the rights of ONGC under this Guarantee will cease. However, if such a

claim has been received by us within the said date, all the rights of ONGC under this Guarantee shall be valid and shall not cease until we have satisfied that claim.

In witness whereof, the Bank through its authorised officer has set its hand and stamp on this ..... day of .....200 at .....

WITNESS NO. 1

|  |  |
|--|--|
| -----  | -----  |
| <u>(Signature)</u>   | <u>(Signature)</u>   |
| <u>Full name and official address (in legible letters)</u> | <u>Full name, designation and address (in legible letters) with Bank stamp</u> |
| _____  | <u>Attorney as per power of</u>  |
| _____  | <u>Attorney No.....</u>  |
| _____  | <u>Dated .....</u>   |

WITNESS NO. 2

-----  
(Signature)  
Full name and official address (in legible letters)

(BL/03/21dated 22.12.2010)

**Appendix – 3**  
**Proforma – “PFD”**

SUB: PARTICULARS OF PF CONTRIBUTION FOR THE MONTH OF \_\_\_\_\_ MONTH 200

(1) Name of the Firm/ Agency/ Contractor \_\_\_\_\_ Nature of Contract : Job/ Service contract, AMC,  
O&M, Petty contract, Security,  
Seasonal

(2) Postal address of the Contractor \_\_\_\_\_

(3) Phone No. of the Contractor \_\_\_\_\_

(4) Fax No. of the Contractor \_\_\_\_\_

(5) Address of PF office from where EPF Code No. has been allotted: \_\_\_\_\_

(6) EPF Code No. allotted by PF office \_\_\_\_\_

(7) Address of ESIC office from where ESI Code No. has been allotted: \_\_\_\_\_

(8) ESI Code No. allotted by ESIC Office \_\_\_\_\_

(9) Period of Contract : From \_\_\_\_\_ to \_\_\_\_\_

(a) Extension period of contract, if any From \_\_\_\_\_ to \_\_\_\_\_

(b) Place where contract workmen are working \_\_\_\_\_

(10) Labour Licence No. \_\_\_\_\_ dtd. \_\_\_\_\_

(11) Validity period of Labour Licence From \_\_\_\_\_ To \_\_\_\_\_

(12) Details of Deposition of contribution towards EPF

(a) EPF Challan No. \_\_\_\_\_ Amount \_\_\_\_\_ Date \_\_\_\_\_

(13) Details of Deposition of contribution towards ESI

(a) ESI Challan No. \_\_\_\_\_ Amount \_\_\_\_\_ Date \_\_\_\_\_

(14) Details of contract labour engaged  
by the contractor

| <u>Category</u>                 | <u>No. of</u><br><u>Workers</u> | <u>Prevailing</u><br><u>Min.</u><br><u>wages</u> |
|---------------------------------|---------------------------------|--|
| <u>Unskilled</u>                |                                 |  |
| <u>Semi</u><br><u>skilled</u>   |                                 |  |
| <u>Skilled</u>                  |                                 |  |
| <u>Highly</u><br><u>skilled</u> |                                 |  |
| <u>Total</u>                    |                                 |  |
|                                 |                                 |  |

| Sl. No.  | Full Name of the Contractual Workmen | Sub EPF Code No. of the Contractual Workman | No. of days present during the month | Amount paid |                    | Total Amount paid | Employees PF Contribution @ 12% | Employers PF Contribution @ 3.67% | Employers EPS Contribution @ 8.33% | Total Contribution deposited (Col No.8 + Col.9 + Col.10) | Employees ESI contribution @ 1.75% | Employers ESI contribution @ 4.75% | Total Contribution deposited (Col No. 13 + Col no. 14) |
|----------|--------------------------------------|---|--------------------------------------|-------------|--------------------|-------------------|---------------------------------|-----------------------------------|------------------------------------|--|------------------------------------|------------------------------------|--|
|          |                                      |   |                                      | Mini Wage   | Plus any other pay |                   |                                 |                                   |                                    |  |                                    |                                    |  |
| <u>1</u> | <u>2</u>                             | <u>3</u>                                    | <u>4</u>                             | <u>5</u>    | <u>6</u>           | <u>7</u>          | <u>8</u>                        | <u>9</u>                          | <u>10</u>                          | <u>11</u>  | <u>12</u>                          | <u>13</u>                          | <u>14</u>  |
|          |                                      |   |                                      |             |                    |                   |                                 |                                   |                                    |  |                                    |                                    |  |
|          |                                      |   |                                      |             |                    |                   |                                 |                                   |                                    |  |                                    |                                    |  |

**CERTIFIED THAT**

- a) I have paid the notified minimum wages to my contractual workers as per the agreement.
- b) The above information is correct to the best of my knowledge.
- c) In case nay discrepancies or irregularities is /are noticed in this agreement, then ONGC is free to inform the PF/ESIC Authorities.
- d) Within one month on completion/expiry of the contract, I shall fill up the prescribed Forms for withdrawal or transfer of PF/Pension Account in favour of my contractual workmen under control and intimate to Principal Employer.
- e) Before the completion of contract, I shall serve one month notice to all my contractual workers, informing that their services will be terminated.
- f) Within one month on completion/expiry of the contract, I shall pay all the dues/ terminal dues such as leave with wages, bonus (if applicable), Gratuity (if applicable), to all my contractual workmen, failing which my Bank Guarantee/ Security Deposit may be withheld by ONGC.

Date:

Place:

Signature & Seal of the Contractor

|

## The Employees' Provident Funds Scheme 1952

**FORM 12 (Revised)**

## THE EMPLOYEES' PROVIDENT FUND SCHEME, 1952

[Para 38(2)]

**STATEMENT OF CONTRIBUTION FOR THE MONTH OF .....**

Wage Period From..... To .....

Name and Address of the Establishment ..... Code No.....

| Sl. No.  | A/C No.  | Name of the member (in block Capitals) | Wages, retaining allowance (if any) and D.A. including cash value of food concession paid to the member during the wage period. | Amount of member's contribution deducted from the wages |                |           | Employer's contribution |                |           | Remarks  |
|----------|----------|--|---|---|----------------|-----------|-------------------------|----------------|-----------|----------|
|          |          |  |   | EPF (a)   | EPF 1.1/4% (b) | Total (c) | EPF (a)                 | EPF 1.1/4% (b) | Total (c) |          |
| <u>1</u> | <u>2</u> | <u>3</u>                               | <u>4</u>  | <u>5</u>  |                |           | <u>6</u>                |                |           | <u>7</u> |

Total amount of contributions including refund of advances .....

Administrative charges .....

Total amount deposited in

(i) Account No. 1 Rs. ....

(ii) Account No. 10 Rs. ....

Bank in which deposited .....

No. and date of Bank Draft/Cheque Reserve Bank of India .....

Signature of the Employer or  
Other Authorised Officer  
Stamp of the Establishment

Dated .....

Note:- (1) The names of existing members should be shown in the list of each month

in the consecutive serial order of the account numbers. New members whose names are shown in the return for the first time should be shown at the end with a heading "New Members". In the case of members transferred from another factory/establishment the name of the factory/establishment from which transferred should be given in the 'Remarks' column.

(2) Mention should be made in column No.8 above, about member's rate of voluntary contribution.

(3) Variation in wages/contribution with that of previous month should be explained suitably in the remarks column.

**FORM 12A (Revised)**

(For Unexempted Establishments only)

## THE EMPLOYEES' PROVIDENT FUNDS SCHEME, 1952

[Proviso to paragraph 38(2)]

**STATEMENT OF CONTRIBUTION FOR THE MONTH OF .....**

Name and address of the establishment .....

Code No. of the establishment .....



## FORM 6A (Continued)

## RECONCILIATION OF REMITTANCES

| Sl. No       | Month                      | AMOUNT REMITTED   |   | ADMINISTRATION CHARGES<br>Rs. At 1.10% of wages |                                  |                                  | Aggre<br>Co                      |
|--------------|----------------------------|---|---|---|----------------------------------|----------------------------------|----------------------------------|
|              |                            | EPF Contributions including refund of advances<br>A/c no. 1 | Pension Fund contributions<br>A/c No.10 | DLI Contribution<br>A/c No. 21<br>Rs.           | Admn. Charges<br>A/c No.2<br>Rs. | EDLI Admn. Charges 0.001%<br>Rs. |                                  |
| <u>1</u>     | <u>March paid in April</u> | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | (1) Total<br>con<br>encl<br>Revi |
| <u>2</u>     | <u>April</u>               | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | (2) Certifi                      |
| <u>3</u>     | <u>May</u>                 | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | com                              |
| <u>4</u>     | <u>June</u>                | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | mem                              |
| <u>5</u>     | <u>July</u>                | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | state                            |
| <u>6</u>     | <u>Aug.</u>                | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | exce                             |
| <u>7</u>     | <u>Sept.</u>               | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | durin                            |
| <u>8</u>     | <u>Oct.</u>                | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | curre                            |
| <u>9</u>     | <u>Nov.</u>                | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | final                            |
| <u>10</u>    | <u>Dec.</u>                | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | conc                             |
| <u>11</u>    | <u>Jan.</u>                | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | acco                             |
| <u>12</u>    | <u>Feb. paid in March</u>  | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | furn                             |
| <u>13</u>    | <u>Arrear,<br/>If any</u>  | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  | nam<br>men                       |
| <u>Total</u> |                            | <u>Rs.</u>  | <u>Rs.</u>                              | <u>Rs.</u>                                      |                                  |                                  |                                  |

Signature of employer with official seal

NOTE:- (1) The names of all members, including those who had left service during the currency period, should be included in this statement. Where the Form 3A in respect of such members had left service were already sent to the Regional Office for the purpose of final settlement of their accounts, the fact should be stated against the members in the 'Remarks' column above thus "form 3A already sent in the month of ....."

(2) In case of substantial variation in the wages/contributions of any member as compared to those shown in previous statement, the reason should be explained adequately in the 'Remarks' column.

(3) In respect of those members who have not opted for Pension Fund their entire employers contribution @ 8.1/3% or 10% as the case may be shown under column no.6.