



DIRECTORATE GENERAL OF HYDROCARBONS
(Ministry of Petroleum & Natural Gas, Government of India)

Tender No. DGH/MM/Audit/090/12-13/ENQ-058
Engagement of Auditors for Production Sharing Contract and CBM:

Directorate General of Hydrocarbons (DGH), invites sealed tenders under two bid system for engagement of auditors for Audit of accounts for Exploration Blocks / Small Size Fields under Production Sharing Contracts (PSCs) / CBM Block, as under:

Tender No. DGH/MM/Audit/090/12-13/ENQ-058

Bids are invited from qualified firms of recognized Chartered Accountants registered in India and having adequate E & P experience. For eligibility criteria, please see Annexure B of the tender documents.

The tender document containing eligibility criteria, scope of work, terms and conditions and other details can be purchased against a written application to HOD (MM), Directorate General of Hydrocarbons, OADB Bhawan, Plot No.2, Sector-73, NOIDA-201301 (Tel. 0120-247 2000. Fax No.: 0120 247 2049) upto **24.02.2012** on payment of Rs. 500/- through crossed demand draft in-favour of Directorate General of Hydrocarbons, payable at New Delhi. However, DGH will not be responsible for the loss of tender form or for the delay in postal transit. Tender document downloaded from DGH website can also be submitted before due date along with demand draft for Rs. 500/- drawn in favour of DGH payable at Delhi. Without deposit of tender fee, tender form downloaded from website will not be acceptable.

a) Bid Closing Date & Time: 5th March 2012 at 14-00 hrs.(IST)

b) Un-price Bid Opening date & time: 5th March 2012 at 15-00 hrs.(IST)

c) Price Bid Opening date & time shall be intimated later on to the technically qualified bidders.

DGH reserves the right to reject offer without assigning any reason. Purchased tender documents are not transferable.

For full details please visit DGH website www.dghindia.org

Enquiry No. **DGH/MM/Audit/090/12-13/ENQ-058**

Bid Closing Date 05.03.2012 at 14.00 hrs

Bid Opening Date 05.03.2012 at 15.00 hrs

Sub: Engagement of Auditors by DGH for Audit of accounts for Exploration Blocks / Small Size Fields / CBM Block.

Dear Sir,

Directorate General of Hydrocarbons (DGH) under Ministry of Petroleum and Natural Gas invites sealed tenders in duplicate for hiring of qualified firms of Chartered Accountants registered in India **for comprehensive audit of Contractor's Accounts and inspection** as stated in the Scope of work.

1. The scope of work required is as per **Annexure - A**.
2. Eligibility criteria of Bidders is as per **Annexure – B**.
3. Financial bid is to be submitted in a sealed cover for providing the services of Audit and inspection as per the price format enclosed as **Annexure - C**.
4. Information about the Exploration Blocks, CBM Block and Small Fields offered for Audit, the periods of audit due and investment/expenditure in the Block are given in **Annexure – D (i) & (ii)**.
5. All other terms and conditions are attached as per **Annexure – E**.
6. Single stage two bid system will be followed in this tender. Technical and Financial bids should be submitted separately in sealed envelopes, both put together in one single sealed envelope. The Technical bid should contain all the required Documents of Eligibility, tender Fee, Bid Security and any other required documents including the following:
 - (a) Brief introduction, past experience in the Oil Industry (Upstream Sector) of the Audit Firm.
 - (b) Details of qualification and experience of audit in Oil Sector of the persons to be deputed for the job.
 - (c) Documents showing prior experience as mentioned at sl. No. (a) and (b) above.
7. Please send your quotation in sealed envelope, super-scribed with the above-mentioned Enquiry No. and closing date so as to reach this office on or before 1400 Hrs Indian Standard Time (IST) on 05.03.2012 at Directorate General of Hydrocarbons, OIDB Bhawan, Plot No. 2, Sector-73, Noida-201301, India.
8. a) Technical Bids will be opened at 1500Hrs on the Bid-opening day.

b) Financial bid opening date & time shall be intimated later on to technically qualified bidders.

9. Any quotation received after closing date and time will not be considered.

10. E-mail /fax/photocopy of the offer will not be considered.

11. No Increase in price after bid opening shall be entertained.

12. Incomplete bids would be summarily rejected.

15. The audit firm should certify that 'There would be no conflict of interest as specified in the revised Guidance Note on Independence of Auditors issued by the council of The Institute of Chartered Accountants of India in undertaking the audit of Each Block / Field. Bids without this certificate will be rejected.

16. DGH reserves the right to reject any bid without assigning any reason.

17. Purchased tender documents are not transferable.

18. The bid should be valid for a period of 120 days from closing date.

19. Bid security of 20,000.00/- (Rupees Twenty thousand only) in the form of Bank Draft or Bank Guarantee as per proforma enclosed, is to be deposited alongwith technical bid and should be valid for a period of 150 days from the bid closing date.

20. Bids without Tender Fee, in case of downloaded tender documents, would be rejected.

21. Bids without EMD would be rejected

21. Security Deposit: successful bidder will have to pay security deposit in the form of bank draft or Bank Guarantee (proforma of Bank Guarantee enclosed) @ 7.5% of the total value of the contract valid for 2 years and extension upto 3 months, which will be refunded / returned after the completion of the audit.

22. Bidders can bid for any number of blocks as per the enclosed list. However, it would be at the discretion of the Committee to decide how many blocks need to be awarded to a bidder.

Yours faithfully,

HOD (MM)

Encl: Annexure- A, B, C, D, E , F & G

Scope of Govt.-Audit of PSCs

- (a) Audit should be performed in accordance with generally Accepted Audit Standards in India and in particular covering the following areas:
- (i) Planning the work;
 - (ii) Obtaining audit evidence through performance of compliance and substantive procedures
 - (iii) Evaluating the adequacy of the accounting system to reasonably assure that all accounting information is recorded;
 - (iv) Studying and assessing the operation of internal controls place reliance on the same, and
 - (v) Review the financial statements

Auditor should indicate any material weaknesses observed in the system of internal control and the impact of change in the accounting policy, if any.

- (b) Auditors have to verify:
1. Whether contractor is maintaining proper books of accounts for all its transactions pertaining to the PSCs.
 2. Whether all Expenditures and Incomes have been accounted for accurately, as per PSC. Whether validation of quantity of hydrocarbons produced and saved, sales and income has been done on accrual basis or not, whether investment multiple and profit petroleum to GOI has been correctly calculated on the basis of accrued sales or not. Whether significant accounting policies adopted by contractor are in accordance with the requirements of PSC such as for revenue recognition, foreign currency translation, fixed assets, inventories, etc. In case it is not so, the financial impact should be quantified and stated in audit exceptions.
 3. Whether all costs and expenditures have been classified into proper heads of expenditures as defined in the PSC namely Exploration, Development and Production.
 4. Auditors may include reports covered under enclosed **Appendix-I hereto**.
 5. Whether the “Notional tax liability” considered by contractor while calculating the “Investment Multiple” (if applicable), has been accurately determined as per Income Tax Act and PSC provisions. In case notional tax liability or investment multiple changes, exact impact has to be worked out and stated in the audit exception by the auditor.
 6. Whether the share of Profit Petroleum (Production level payment in case of CBM blocks) to Government has been properly determined and paid as per the provisions of PSC. If incorrect figures are calculated by the operator, correct figures shall be stated by the auditors.
 7. Auditor may check whether all the conditions in the Essentiality certificates for imports at concessional rates of Customs Duty were being fulfilled.
 8. Whether the Joint venture is properly following the procedures as laid down in JOA and PSC with regard to procurement of materials and services. If not, deviations should be detailed. Cases of procurement from affiliates and other than at arms length should be commented on.
 9. Whether Royalty, Cess, License Fee, Profit Petroleum and other statutory payments have been correctly determined and timely paid to the Government in line with ORD Act., P&NG Rules, OIIB Act and PSC wherever applicable. If not, correct liabilities shall be stated by auditors. Auditors to certify the monthwise / yearwise payment of Royalty, Cess amount etc.

for crude oil, Natural gas and / or condensate separately. The certified statement should show the amount of Royalty, Cess etc. payable as per PSC, actual amount paid to the concerned authorities and access / shortfall amount of Royalty, Cess etc.

10. Whether all assets (movable/ immovable) and inventory have been properly recorded, accounted for, maintained, reconciled and verified at reasonable intervals and if any discrepancy found the same has been corrected.
11. Whether the Overheads charged by the JV are reasonable, verifiable and devoid of any duplication, as per provisions of PSC. If not, details of deviations shall be indicated by the auditors.
12. Whether the actual expenditure incurred by contractor is in pursuance to an approved/ reviewed work programme and budget by MC (as the case may be as per provisions of PSC), and whether in the process of charging such costs to Cost Petroleum, the specific stipulations/points raised by the MC (if any) in regard to Budget have been taken care of. If not, details shall be provided by the auditors.
13. Whether contractor has carried out the satisfactory adjustment of observations raised by the Auditors appointed by the operator with approval of MC in the past. Compliance on satisfactory adjustment of past audit exceptions by the operator as directed by MOP&NG /DGH may be indicated by the audit firm by giving definite recommendations for either dropping the exception or pursuing it further.
14. Whether the salary & compensation in respect of nationals and expatriate manpower has been charged to Cost Petroleum as per contractor's standard personnel policy, as per provisions of PSC. If not, deviations should be detailed by auditors.
15. Site Restoration
16. Insurance
17. Whether, in the case of transfer of material from one block/ field to another block/ field, the conditions stated by DGH in the permission of such transfer, have been fulfilled /adhered to.

Auditor should not express merely opinion but should also give definite recommendations on all audit exceptions. In the absence of such definite recommendations the report would be considered incomplete.

Audit observations/exceptions finalized by auditors having financial implications should be quantified. Final exceptions will be drawn for communicating the Contractor in line with PSC provisions. In this context, the following steps would be involved:

- a. The preliminary Audit observation of the Auditors along with supporting documents shall be discussed with the contractor for confirmation of facts & figures/clarifications etc.
- b. Based on the additional inputs from the contractor, the auditor shall finalize the audit report listing the audit exceptions with supporting documents and quantifying the amount to be adjusted in contractors account with reference to specific PSC provisions/other rules, regulations etc. The final Audit report shall be submitted to Government/DGH in duplicate alongwith a soft copy.
- c. On the basis of the final audit report submitted by the Auditors, the Government/DGH may seek clarifications/details, if required, from the Auditor and accordingly draw up an exception

note to be communicated to the contractor. The auditor shall be available to the Government/DGH for drawing up the final exception note.

Audit Report and Statements of Audited Accounts

The Audited Accounts as per Article 25 of PSC, are required to include, the following coverage:

1. Statement of sources & utilisation of funds along with its various schedules (**Format-1**).
2. Value of petroleum produced and sold including the Government's share of Profit Petroleum and sales schedule.
3. Valuation of Petroleum as per PSC for crude oil / natural gas and condensate.
4. Extent of allowable and recoverable costs as defined in Section 3 of Accounting Procedures (Format 2, 3 & 4).
5. Calculation of Profit Petroleum, as per PSC (Format-5).
6. Calculation of Notional Income Tax, Investment Multiple /PTRR as applicable, as per PSC.

Eligibility Criteria of Bidders

- (1) Audit firm must be registered in India.
- (2) The Audit firm must have minimum experience of full audit of at least one year in E&P Sector.
- (3) The Audit Firm should have at least 6 CAs, out of which 5 should be Partners. At least one partner should have association with the firm for 10 years or more, 3 partners should have association for more than 5 years. The firm should be in existence for 10 years or more.

Documentary evidence for Eligibility

Bidders to provide documentary evidence to confirm the eligibility criteria failing which the bids are liable for rejection.

PRICE FORMAT

Field / Block Name:

1. Total amount to be paid accounting year-wise

Item	2009-10	2010-11	Total
Lump-sum Fee in Indian Rupees			

2. Schedule of payment to Auditors shall be as follows:

- i) 75% of total payment shall be released within 30 days from the date of submission of audit report pertaining to the two years. The remaining 25% of total payment will be released after finalization of audit exceptions.

3. TDS as per rules.

4. Amount quoted above are exclusive of Service Tax which would be paid extra, if applicable.

5. Certificate of “No Conflict of Interest” for the quoted block is attached.

NOTE:

1. Transport, if required, from onshore base to offshore platforms shall be arranged and borne by DGH. Transportation for site visit if any, for inspection of inventory / assets, shall be arranged by DGH.
2. Bid evaluation will be done Based on total of Lump sum fees including Travelling Expenses quoted (other than as mentioned in Note 1) and the lowest eligible bid would be considered for award of various Blocks / Fields.
3. The same price format proforma should be used for each of the Field / Block separately.

Authorised Person’s Signature: _____

Name: _____

Designation: _____

Annexure D (i)

6th Round of Audit – Exploration Blocks

S. No.	NELP Round wise Blocks	Operator	Location	Total contract cost	
				2009-10 (US\$)	2010-11 (US\$)
	PRE-NELP				
1	CB-ON/2	GSPCL	Gandhinagar	*	*
2	CB-ON/3	ESSAR	Mumbai	4,992,692	2,759,542
3	RJ-ON/6	FOCUS	Delhi NCR	*	*
4	CB-OS-1	ONGC	Baroda	517,152	*
5	AAP-ON-94/1	HOEC	Chennai	3,556,099	*
6	CB-ON-1	RIL	Mumbai	1,843,000	281,000
7	GK-ON/4	FOCUS	Delhi NCR	*	*
	NELP 1				
8	KG-DWN-98/1	RIL	Mumbai	3,554,955	*
9	MN-DWN-98/2	RIL	Mumbai	310,119	51,394,908
10	MN-DWN-98/3	ONGC	Kolkatta	1,638,920	23,854,593
11	KG-DWN-98/4	ONGC	Chennai	52,703,534	2,766,704
12	KG-DWN-98/5	ONGC	Chennai	949,852	1,350,146
	NELP 2				
13	MN-OSN-2000/2	ONGC	Kolkatta	63,260,773	46,497,197
14	GS-OSN-2000/1	RIL	Mumbai	3,920,000	427,000
15	AS-ONN-2000/1	RIL	Mumbai	2,665,417	772,185
	NELP 3				
16	KG-OSN-2001/3	GSPCL	Gandhi Nagar	337,180,554	250,676,459

17	CY-DWN-2001/2	RIL	Mumbai	141,382,180	*
18	CY-PR-DWN-2001/3	RIL	Mumbai	11,558,499	25,670,959
19	CY-PR-DWN-2001/4	RIL	Mumbai	22,195,083	25,025,601
20	KG-DWN-2001/1	RIL	Mumbai	36,534,117	21,463,869
21	PR-DWN-2001/1	RIL	Mumbai	44,843,259	42,418,001
22	KK-DWN-2001/1	RIL	Mumbai	1,302,096	6,370,131
23	KK-DWN-2001/2	RIL	Mumbai	1,424,717	9,172,839
24	HF-ONN-2001/1	ONGC	Dehradun	3,149,562	15,399,654
25	CY-DWN-2001/1	ONGC	Chennai	(4,518,005)	39,506,217
26	AA-ONN-2001/1	ONGC	Jorhat	4,966,000	*
27	AA-ONN-2001/2	ONGC	Jorhat	1,346,152	6,259,952
28	AA-ONN-2001/3	ONGC	Jorhat	131,897	34,519
29	AA-ONN-2001/4	ONGC	Jorhat	90,665	103,665
30	CB-ONN-2001/1	ONGC	Baroda	732,000	335,163
	NELP 4				
31	KK-DWN-2002/2	ONGC	Mumbai	1,407,000	2,746,980
32	KK-DWN-2002/3	ONGC	Mumbai	99,423,254	4,233,942
33	KG-DWN-2002/1	ONGC	Chennai	21,208,921	86,360,167
34	CY-ONN-2002/2	ONGC	Chennai	2,865,208	1,063,346
35	NEC-DWN-2002/1	RIL	Mumbai	1,218,131	31,227,929
36	CB-ONN-2002/1	ONGC	Baroda	1,592,777	332,533
37	NEC-DWN-2002/2	ONGC	Kolkata	54,274,402	4,338,159
38	AN-DWN-2002/2	ONGC	Kolkata	2,614,083	4,140,496
39	AA-ONN-2002/3	OIL	Duliajan	3,334,377	4,595,556
40	MN-DWN-2002/1	ONGC	Kolkata	2,362,041	69,109,167
41	MN-DWN-2002/2	ONGC	Kolkata	28,190,702	5,932,084
42	CB-ONN-2002/3	GSPCL	Gandhinagar	3,407,103	*
43	AA-ONN-2002/1	JOGPL	Noida	19,117,591	7,759,164

44	AA-ONN-2002/4	ONGC	Jorhat Assam	138,447	104,961
45	GV-ONN-2002/1	CAIRN	Gurgaon	*	*
46	AN-DWN-2002/1	ONGC	Kolkata	4,294,860	73,383,495
	NELP 5				
47	CB-OSN-2003/1	ONGC	Baroda	26,259,815	9,021,417
48	AN-DWN-2003/1	ONGC	Kolkata	1,950,886	4,065,100
49	MN-DWN-2003/1	RIL	Mumbai	2,468,357	602,099
50	KG-DWN-2003/1	RIL	Mumbai	42,017,969	*
51	DS-ONN-2003/1	GGR	Gandhinagar	254,628	581,772
52	AN-DWN-2003/2	ENI	New Delhi	7,676,825	15,199,882
53	AA-ONN-2003/1	JOGPL	Noida	*	*
54	VN-ONN-2003/1	CAIRN	Gurgaon	*	662,785
55	RJ-ONN-2003/2	FOCUS	New Delhi	*	*
56	CB-ONN-2003/1	RIL	Mumbai	12,276,173	*
57	KG-ONN-2003/1	CAIRN	Gurgaon	10,329,257	*
	NELP 6				
58	SR-ONN-2004/1	PRIZE PETROLEUM	Gurgaon	6,632,000	12,304,600
59	GV-ONN-2004/1	ONGC	Dehradun	3,264,761	4,244,396
60	AA-ONN-2004/1	OIL	Duliajan Assam	*	*
61	AA-ONN-2004/3	ESSAR	Mumbai	2,605,114	342,068
62	AA-ONN-2004/4	NAFTOGAZ	Noida	3,545,000	*
63	AA-ONN-2004/5	ESSAR	Mumbai	97,566	343,823
64	MN-DWN-2004/1	RIL	Mumbai	748,765	8,011,183
65	MN-DWN-2004/2	RIL	Mumbai	3,529,746	9,750,903
66	MN-DWN-2004/3	RIL	Mumbai	764,215	3,173,446
67	MN-DWN-2004/4	RIL	Mumbai	687,689	8,540,307
68	MN-DWN-2004/5	RIL	Mumbai	414,030	*

69	CY-DWN-2004/1	ONGC	Chennai	4,352,643	1,692,344
70	CY-DWN-2004/2	ONGC	Chennai	3,725,161	1,757,463
71	CY-DWN-2004/3	ONGC	Chennai	4,205,176	11,964,482
72	CY-DWN-2004/4	ONGC	Chennai	3,384,183	7,679,545
73	CY-PR-DWN-2004/1	ONGC	Chennai	34,145,983	2,656,577
74	CY-PR-DWN-2004/2	ONGC	Chennai	2,973,368	10,140,411
75	KG-DWN-2004/1	ONGC	Chennai	6,467,719	19,459,104
76	KG-DWN-2004/2	ONGC	Chennai	731,008	1,665,557
77	KG-DWN-2004/3	ONGC	Chennai	649,449	5,299,025
78	MB-OSN-2004/1	GSPCL	Gandhinagar	29,181,230	*
79	MB-OSN-2004/2	PETROGAS	Gurgaon	13,704,000	*
80	PA-ONN-2004/1	ONGC	Kolkata	7,241,966	1,898,166
81	PR-OSN-2004/1	CAIRN	Gurgaon	10,404,736	7,844,474
82	GS-OSN-2004/1	ONGC	Mumbai	24,473,000	39,409,262
83	CB-OSN-2004/1	FOCUS	New Delhi	*	*
84	CB-ONN-2004/1	ONGC	Baroda	2,205,000	10,279,396
85	CB-ONN-2004/2	ONGC	Baroda	3,133,000	3,210,000
86	CB-ONN-2004/3	ONGC	Baroda	4,821,018	6,003,650
87	CB-ONN-2004/4	ONGC	Baroda	1,048,087	8,020,000
88	KK-DWN-2004/1	ONGC	Mumbai	16,890,778	*
89	KG-OSN-2004/1	ONGC	Chennai	5,016,502	*
90	KG-DWN-2004/4	RIL	Mumbai	853,461	498,144
91	KG-DWN-2004/5	ONGC	Chennai	711,630	6,971,304
92	KG-DWN-2004/6	ONGC	Chennai	20,586,734	2,418,815
93	KG-DWN-2004/7	RIL	Mumbai	794,395	9,179,686
94	VN-ONN-2004/1	ONGC	Dehradun	3,632,022	4,583,974
95	VN-ONN-2004/2	ONGC	Dehradun	6,045,381	908,367
96	RJ-ONN-2004/1	GSPCL	Gandhinagar	1,665,361	1,919,935
97	RJ-ONN-2004/2	OIL	Jodhpur	2,153,000	1,039,540
98	RJ-ONN-2004/3	OIL	Jodhpur	*	6,651,180

99	NEC-DWN-2004/1	SANTOS	Delhi	1,980,000	974,930
100	NEC-DWN-2004/2	SANTOS	Delhi	2,141,000	1,024,995
101	MZ-ONN-2004/1	OIL	Duliajan Assam	9,100,952	7,135,438
102	MZ-ONN-2004/2	NAFTOGAZ	Noida	700,000	*
103	DS-ONN-2004/1	GGR	Gandhinagar	4,923,085	769,980
104	KG-ONN-2004/1	OIL	Chennai	169,000	*
105	KG-ONN-2004/2	GSPCL	Gandhinagar	754,942	*
106	CY-ONN-2004/1	ONGC	Chennai	1,090,455	767,907
107	CY-ONN-2004/2	ONGC	Chennai	1,116,208	830,355
108	AA-ONN-2004/2	OIL	Duliajan Assam	146,555	5,700,039
	NELP 7				
109	MB-DWN-2005/2	BHP BILLITON	Delhi NCR	974,420	*
110	MB-DWN-2005/3	BHP BILLITON	Delhi NCR	652,129	2,578,973
111	MB-DWN-2005/4	BHP BILLITON	Delhi NCR	755,670	2,131,722
112	MB-DWN-2005/5	BHP BILLITON	Delhi NCR	651,939	2,392,999
113	MB-DWN-2005/7	BHP BILLITON	Delhi NCR	651,996	2,633,769
114	MB-DWN-2005/9	BHP BILLITON	Delhi NCR	651,889	2,405,145
115	KK-DWN-2005/1	BHP BILLITON	Delhi NCR	5,223,346	7,083,383
116	KK-DWN-2005/2	ONGC	Mumbai	1,857,241	1,903,184
117	KG-DWN-2005/1	ONGC	Chennai	257,802	1,542,863
118	KG-DWN-2005/2	BP	Delhi NCR	462,726	354,479
119	AN-DWN-2005/1	ONGC	Kolkata	1,762,822	4,353,864
120	MB-OSN-2005/1	ONGC	Mumbai	4,585,446	11,795,300
121	MB-OSN-2005/2	ADANI	Ahemdabad	10,657,524	5,781,089
122	MB-OSN-2005/3	EEPL	Mumbai	142,606	249,103
123	MB-OSN-2005/5	ONGC	Mumbai	21,034,757	2,456,114
124	MB-OSN-2005/6	ONGC	Mumbai	19,531,813	6,811,588
125	KG-OSN-2005/1	ONGC	Chennai	276,565	1,126,500
126	KG-OSN-2005/2	ONGC	Chennai	254,012	607,844

127	PA-ONN-2005/1	ONGC	Kolkata	1,222,012	5,211,876
128	PA-ONN-2005/2	ONGC	Kolkata	923,591	4,591,930
129	WB-ONN-2005/2	ONGC	Kolkata	985,248	8,177,262
130	WB-ONN-2005/3	ONGC	Kolkata	1,474,017	5,478,104
131	WB-ONN-2005/4	ONGC	Kolkata	1,623,106	8,503,156
132	GV-ONN-2005/3	ONGC	Dehradun	658,389	3,351,310
133	RJ-ONN-2005/2	OIL	Jodhpur	203,434	-
134	RJ-ONN-2005/3	GSPCL	Gandhinagar	129,847	13,343,868
135	CB-ONN-2005/2	IOCL	Delhi NCR	165,069	3,708,262
136	CB-ONN-2005/4	ONGC	Baroda	196,939	1,180,621
137	CB-ONN-2005/5	OMKAR NATURAL	Mumbai	103,498	97,159
138	CB-ONN-2005/7	IOCL	Delhi NCR	*	696,436
139	CB-ONN-2005/9	MERCATOR PETROLEUM	Mumbai	*	319,438
140	CB-ONN-2005/10	ONGC	Baroda	3,792,411	1,054,821
141	PR-ONN-2005/1	ONGC	Chennai	61,151	4,012,220
142	CY-ONN-2005/1	GAIL	Delhi NCR	*	*
	NELP 8				
143	MB-DWN-2009/1	CAIRN	Gurgaon		268,918
144	KG-DWN-2009/1	BGEPIL	Mumbai		118,714
145	AN-DWN-2009/1	ONGC	Kolkata		440,246
146	AN-DWN-2009/2	ONGC	Kolkata		432,204
147	AN-DWN-2009/3	ONGC	Kolkata		430,077
148	AN-DWN-2009/5	ONGC	Kolkata		430,197
149	AN-DWN-2009/13	ONGC	Kolkata		428,256
150	AN-DWN-2009/18	ONGC	Kolkata		428,090
151	GK-OSN-2009/1	ONGC	Mumbai		9,360,826
152	GK-OSN-2009/2	ONGC	Mumbai		9,090,580

153	MB-OSN-2009/3	BHP BILLITON	Delhi NCR		1,523,862
154	MB-OSN-2009/6	BHP BILLITON	Delhi NCR		1,780,383
155	MB-OSN-2009/7	BHP BILLITON	Delhi NCR		1,586,111
156	CY-OSN-2009/2	OIL	Delhi NCR		1,820,834
157	KG-OSN-2009/1	ONGC	Chennai		6,747,306
158	KG-OSN-2009/2	ONGC	Chennai		4,520,751
159	KG-OSN-2009/3	CAIRN	Gurgaon		441,251
160	KG-OSN-2009/4	ONGC	Chennai		438,482
161	AA-ONN-2009/1	JOGPL	Noida		739,903
162	AA-ONN-2009/2	JOGPL	Noida		563,744
163	CB-ONN-2009/1	ESGPL	Ahemdabad		526,390
164	CB-ONN-2009/2	ESGPL	Ahemdabad		188,431
165	CB-ONN-2009/7	ESGPL	Ahemdabad		188,761
166	CB-ONN-2009/8	JPIL	Delhi NCR		*

Note:

* Contract Cost figures in few blocks are presently not available.

** In case of NELP 8 round blocks audit for only 2010-11 is to be carried out.

Annexure D (ii)6th round of Audit – Small Fields/CBM Blocks

(US\$)

S. No.	Name of Block	Operator	Years of Audit	Expr./investment in the Block during the years of audit (Provisional)	Location
1.	BHANDUT	OILEX	2009-10 2010-11	217457	Gandhinagar (Gujrat)
2.	CAMBAY	OILEX	2009-10 2010-11	3729826	Gandhinagar (Gujrat)
3.	INDRORA	SELAN	2009-10 2010-11	818630	Gurgaon
4.	BAKROL	SELAN	2009-10 2010-11	4058360	Gurgaon
5.	BAOLA	INTERLINK PETROLEUM	2009-10 2010-11	701614	Noida
6.	ALLORA	HERAMAC	2009-10 2010-11	-----	Hyderabad
7.	DHOLASAN	HERAMAC	2009-10 2010-11	-----	Hyderabad
8.	KANAWARA	HERAMAC	2009-10 2010-11	780001	Hyderabad
9.	NORTH KATHANA	HERAMAC	2009-10 2010-11	(1410523)	Hyderabad
10.	SABARMATI	OILEX	2009-10 2010-11	227289	Gandhinagar (Gujrat)
11	SANGANPUR	HRDC / PROFIT PETROLIUM	2009-10 2010-11	73700	Mumbai
12.	KARJISAN	SELAN	2009-10	1569930	Gurgaon

			2010-11	1025531	
13.	UNAWA	GSPC	2009-10 2010-11	336063	Gandhinagar
14.	OGNAJ	SELAN	2009-10 2010-11	800	Noida
15.	MODHERA	INTERLINK	2009-10 2010-11	-----	Gurgaon
	CBM Blocks				
16.	RANIGANJ	GEECL	2009-10 2010-11	With emphasis on sales	Gurgaon

Terms and Conditions

- 1) **Commencement and Completion of Audit** : Audit of all awarded Blocks / Fields to be commenced immediately after issue of Letter of Award (LoI) and completed within 3 months after contractor provides the complete records. In the event of any difficulty and delay beyond 3 weeks from LoI, in receipt of necessary records, auditor has to inform DGH formally & immediately for ensuring early completion of audit.
- 2) **Liquidated Damages:** The final Audit report shall be submitted to the Govt. of India within 30 days from the completion of audit, failing which the liquidated damages at the rate of half percent per week of delay or part thereof limited to five percent of the lump sum auditing fees shall be levied for the fields for which the submission of report is delayed.
- 3) **Non-performance Remedies:** In the event of failure to accomplish the work to the satisfaction of DGH under engagement letter, DGH reserves the right to cancel the engagement letter or a portion thereof by serving prior notice to the bidder and if so desired, engage other firms for availing the same services at the sole risk and cost of bidder.
- 4) The list of PSCs and years for exercising the Govt. audit rights along with investment is enclosed. DGH may at its sole discretion delete any PSC from the list of PSCs to be audited / inspected and may delete the job for any of the year of audit mentioned without assigning any reason.
- 5) **Force Majeure:** (i) For the purpose of this Contract, the term Force Majeure means any cause or event, other than the unavailability of funds, whether similar to or different from those enumerated herein, lying beyond the reasonable control of, and unanticipated or unforeseeable by, and not brought about at the instance of, the Party claiming to be affected by such event, or which, if anticipated or foreseeable, could not be avoided or provided for, and which has caused the non-performance or delay in performance. Without limitation to the generality of the foregoing, the term force Majeure shall include natural phenomena or calamities, earthquake, typhoon, fire, war declared or undeclared, hostilities, invasions, blockades, riots, strikes, insurrection and civil disturbance but shall not include the unavailability of funds.

(ii) Neither party shall be held responsible for any loss or damage or delay in or failure of performance under the engagement letter to the extent that such loss or damage or delay in audit or failure of performance is caused by the force majeure. Either party shall have the right to terminate the engagement /contract with prior written notice. The written notice shall be give promptly but in no case later than seven (7) days after the occurrence of the event of Force Majeure giving full particulars of the Force Majeure, the obligations affected and the reasons of the termination. No payment due to bidder for the work completed prior to “Force Majeure” conditions shall be made.

In case the contract is agreed mutually to be not terminated, then time for performance of the relative obligations suspended by the force majeure shall then stand extended by the period

for which such cause lasts. Such period shall be decided mutually and the Government will have the final say in the matter.

- 6) **Assignment:** Auditor shall not assign or sub-contract, in part or in whole, directly or indirectly, any work here under without obtaining the prior consent of DGH in writing.

- 7) **Indemnity:** Auditor shall indemnify, defend and hold DGH harmless from/against any claim, loss, liability, costs and expenses (including attorney fees) for damage to operator's property arising from the use of equipment/software/data regardless of cause while at operator's premises for Inspecting/Auditing of their accounts.

The Auditor shall also indemnify DGH for any indirect losses or consequential damages including without limitation, loss of profit, loss of production, loss of business, loss of use and loss of data regardless of the cause thereof.

- 8) **Confidentiality:** As this assignment is of confidential nature, the Auditor shall give an undertaking that they will hold in strict confidence all information obtained from the DGH and the independent field operators and shall not disclose such information to others except in connection with the performance of services for which they are engaged.

- 9) **Arbitration:** Any dispute or difference arising out of this contract shall be settled by mutual negotiations. If the dispute or difference cannot be settled by way of negotiations, it will be referred to Arbitration. There shall be three arbitrators, one by each party and the third appointed by the two. The arbitrator shall give reasoned award.

The arbitrators shall decide by whom the arbitrator's fee as well as cost incurred in arbitration shall be borne.

All arbitration proceedings shall be conducted in New Delhi / Delhi.

- 10) **Governing law and jurisdiction:** This engagement letter is governed by Indian Laws and the courts of Delhi/ New Delhi shall have the extensive jurisdiction on the subject matter.

**Proforma of Bank Guarantee towards Bid Security
BID BOND**

Ref. No.....

Bank Guarantee No.....

Dated

To,

Directorate General of Hydrocarbons
OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301, India.

Dear Sirs,

1. Whereas Directorate General of Hydrocarbons, having its office at OIDB Bhawan, Tower A, Plot No. 2, Sector – 73, Noida -201 301, India. (hereinafter called 'DGH' which expression unless repugnant to the context or meaning thereof shall mean and include all its successors, administrators, executors and assignees) has floated a Tender No. _____ and M/s _____ having Head/Registered office at _____ (hereinafter called the 'Bidder' which expression unless repugnant to the context or meaning thereof shall mean and include all its successors, administrators, executors and permitted assignees) have submitted a bid Reference No..... and Bidder having agreed to furnish as a condition precedent for participation in the said tender an unconditional and irrevocable Bank Guarantee of Indian Rupees (in figures)_____ (Indian Rupees)(in words)_____ only) for the due performance of Bidder's obligations as contained in the terms of the Notice Inviting Tender (NIT) and other terms and conditions contained in the Bidding documents supplied by DGH which amount is liable to be forfeited on the happening of any contingencies mentioned in said documents.

2. We (name of the bank)_____ registered under the laws of _____ having its head/registered office at _____ (hereinafter referred to as "the Bank" which expression, unless repugnant to the context or meaning thereof, shall mean and include all its successors, administrators, executors and permitted assignees) do hereby guarantee and undertake to pay immediately on the first demand by DGH, the amount of Indian Rs. (in figures) _____ (Indian Rupees (in words) _____ only) in aggregate at any time without any demur and recourse, and without DGH having to substantiate the demand. Any such demand made by DGH shall be conclusive and binding on the Bank irrespective of any dispute or difference raised by the Bidder.

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

4. The Bank also agree that this guarantee shall be irrevocable and governed and construed in accordance with Indian Laws and subject to exclusive jurisdiction of Indian Courts of the place from where tenders have been invited.

5. This guarantee shall be irrevocable and shall remain in force up to _____ which **includes thirty days** after the period of bid validity and any demand in respect thereof should reach the Bank not later than the aforesaid date.

6. Notwithstanding anything contained hereinabove, our liability under this Guarantee is limited to Indian Rs. (in figures) _____ (Indian Rupees (in words) _____ only) 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 DGH under this Guarantee will cease. However, if such a claim has been received by us by the said date, all the rights of DGH under this Guarantee shall be valid and shall not cease until we have satisfied that claim. In witness whereof, the Bank, through its authorized officer, has set its hand and stamp on this day of at

WITNESS NO. 1

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

(Signature)
Full name, designation and
official 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)

Notes:

1. Please indicate the currency in which Bank Guarantee is being given Indian Rupees have been mentioned only for illustration. Therefore, in case where Bank Guarantee is being given in a currency other than Rupees, these terms may be deleted and replaced by relevant currency.
2. The expiry date as mentioned in clause **5 & 6** should be arrived at by adding 30 days to the date of expiry of the bid validity unless otherwise specified in the bidding documents.

PERFORMANCE GUARANTEE

Ref. No. _____ Bank Guarantee No _____

Dated _____

To,

Directorate General of Hydrocarbons,

OIDB Bhawan, Plot No. 2, Sector 73, Noida -201 301, UP, India.

Dear Sirs,

1. In consideration of Directorate General of Hydrocarbons, having its Office at OIDB Bhawan, Plot No.2, Sector-73, NOIDA, India (hereinafter referred to as `DGH', 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 DGH having agreed that the CONTRACTOR shall furnish to DGH a performance guarantee for Rupees..... for the faithful performance of the entire CONTRACT.

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 Rs. (in figures) _____ (Rupees. (in words) _____) without any demur, reservation, contest or protest and/or without any reference to the CONTRACTOR. Any such demand made by DGH 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 DGH 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 DGH 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 DGH may have in relation to the CONTRACTOR's liabilities.
4. The Bank further agrees that DGH 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 DGH 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 DGH or any indulgence by DGH 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 DGH under or by virtue of this CONTRACT have been fully paid and its claim satisfied or discharged or till DGH 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 DGH 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 Laws and subject to the exclusive jurisdiction of Courts of the place from where the purchase CONTRACT has been placed.
9. Notwithstanding anything contained herein above, our liability under this Guarantee is limited to Rs. (in figures) _____ (Rupees (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 DGH under this Guarantee will cease. However, if such a claim has been received by us within the said date, all the rights of DGH 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 of20__ at

WITNESS NO. 1

(Signature)

Full name and official
address (in legible letters)

(Signature)

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)