

Model Gas Supply Agreement

This AGREEMENT made on _____ day of _____ Two Thousand Twenty Two at _____ between OIL AND NATURAL GAS CORPORATION LTD., a company incorporated under the Companies Act 1956, having its Corporate Registered Office at Deendayal Urja Bhawan, 5 Nelson Mandela Marg, Vasant Kunj New Delhi 110070, and one of its Asset Offices at _____Asset,_____, (Name of State) hereinafter referred to as "SELLER" (which expression shall, where the context so requires or admits of, be deemed to include its successors or assignees) of the ONE PART and M/s._____ (Name of consumer) {*a Pvt. Ltd. company/a Ltd. company/ proprietary firm/partnership firm, etc. as the case may be*}, having its office at _____ {address of the consumer}, hereinafter called "BUYER" (which expression where the context so requires or admits of, be deemed to include its successors or assignees) of the OTHER PART.

Whereas the BUYER desires to purchase and receive "NATURAL GAS" from the SELLER as per their Bid Response no._____and the SELLER agrees to sell and deliver to the BUYER Natural gas as produced in its natural state or after stripping of heavier components for other uses, obtained from _____ (Name of field) of SELLER delivered at ONGC Installation <Name of Installation to be inserted>, Dist. _____, (Name of State) as a fuel <for generation of power for feeding into State Grid/as a fuel in the factory/for LPG extraction, generation of power for captive purpose/mercantile purpose, etc.> in the facilities of the BUYER located near _____Field in the state of _____ on the terms and conditions stated in the tender document for the ___field and terms and conditions stated here under which have been mutually agreed upon between the SELLER and the BUYER.

NOW THIS DEED WITNESSES AS FOLLOWS,

ARTICLE-1

DEFINITIONS AND INTERPRETATIONS

The following words shall have the meaning assigned against each one of them respectively in the AGREEMENT, unless otherwise stated:-

- 1.01. "Time" shall be stated in "Hours" and shall mean `Indian Standard Time'.
- 1.02. "Day" means a period of twenty-four (24) consecutive hours beginning and ending at 0600 hours and reference date for any such day shall be the date on which such day starts at 0600 hours.
- 1.03. "Week" means a period of Seven (7) consecutive days beginning 0600 hours from a day.
- 1.04. "First Fortnight" means a period commencing at 0600 hours on first day of Month and ending on 0600 hours on sixteenth day of the Month and a "Second Fortnight" means a period commencing at 0600 hours on sixteenth day of the Month to 0600 hours on the first day of the succeeding calendar month.

- 1.05. "Month" means the period beginning at 0600 hrs. on the first day of a calendar month and ending at 0600 hrs. on the first day of the succeeding calendar month.
- 1.06. "Year" means period of 365 (Three hundred and sixty five) consecutive days or 366 (Three hundred sixty six) consecutive days when such period includes a twenty-ninth (29th) day of February.
- 1.07. "Financial Year" means year starting from 1st April of any calendar year to ending on 31st March of the next succeeding calendar year; In case the delivery of gas commences any time during the year, the first Financial Year will be considered from the date of delivery commencement to 31st March of the immediately following year. In case the delivery of gas ends any time during the year (before 31st March), the last Financial Year will be considered from 1st April of the year to the last date of delivery.
- 1.08. "Year", "Month" and "Day" wherever used in this Agreement imply that of Gregorian Calendar.
- 1.09. "**Agreement**" means the term and conditions set out in this Agreement And Schedule A,B,C,D&E; and Appendices.
- 1.10. "**AGA**" means American Gas Association.
- 1.11. "**ASTM**" means the American Society of Testing Materials and "**ANSI**" means American National Standard Institute;
- 1.12. "Annual Contract Quantity(ACQ)" has the meaning ascribed to it in Article 5.07 of this Agreement;
- 1.13. "Adjusted Annual Contract Quantity" has the meaning ascribed to it in Article 6 herein;
- 1.14. "Annual Shortlifted Quantity" means 80% of Adjusted Annual Contracted Quantity (AACQ) less actual offtake during the Contract Year [also ascribed at Article 06.02 b.];
- 1.15. Daily Contract Quantity or DCQ has the meaning ascribed to it in Article 5.
- 1.16. "**Cubic Metre**" or "Standard Cubic Metre " or "**SCM**" means the volume of GAS which occupies one (1) cubic metre of space when such GAS is at a temperature of 15 °C and at an absolute pressure of 1.0332 Kg/Cm² (1.01325 bar);
- 1.17. "**Delivery Point**" means the point at which the Parties agree deliveries of Seller's Gas shall be made under this Agreement as set forth in Article 4.01 and 4.06.
- 1.18. "**Delivery Commencement Date**" means the date for the commencement of deliveries of SELLER's Gas hereunder as set forth in Article 2.02 and Schedule A of this Agreement.
- 1.19. "**Contract Price**" means the price to be paid by the BUYER to the SELLER for one MMBTU of Sellers Gas delivered by the SELLER to the BUYER hereunder as set forth in Schedule_B.
- 1.20. "**Due Date**" has the meaning as ascribed to in Article 13.02 of this Agreement.
- 1.21. "**Expiry Date**" means the date on which the Term of this Agreement expires as set forth in Schedule A.
- 1.22. "**Daily Contracted Quantity**" (DCQ) has the meaning ascribed to it in Article 5

- 1.23. **"Outside Expert Committee"** has the meaning ascribed to it in Article 16 (A) (II) of this Agreement;
- 1.24. **"Gas"** means any dry gas, wet gas, all gaseous hydrocarbons or mixture of hydrocarbons and other gases like Nitrogen, carbon-di-oxide, and substances contained therein including sulphur, but excluding helium which are produced from oil, gas, gas condensate wells and also including residue gas remaining after fractionation or extraction of liquid hydrocarbons from gas at Standard Conditions;
- 1.25. **"Gross Heating Value"** or **"Gross Calorific Value"**, (**"GCV"**) of Gas per SCM means that quantity of heat in Kilocalories evolved by combustion at constant pressure of 1 SCM of Gas with air and temperature of gas, air and the products of combustion cooled to initial temperature and all water formed by combustion reaction remaining in liquid state;
- 1.26. Not used
- 1.27. **"Invoice"** means & includes a document containing calculations sent by SELLER to BUYER pursuant to Article 13.01, specifying the following:
- 1.27.1. The gas quantity for the applicable Billing Period,
 - 1.27.2. The details of the gross heating value (Gross Calorific Value) to derive SELLER's Gas sold during a Billing Period and,
 - 1.27.3. The details of the net heating value (Net Calorific Value) to derive Marketing Margin,
 - 1.27.4. Price of the Gas as set forth in Schedule B of the Agreement, applicable taxes, and levies, marketing margin, etc.
 - 1.27.5. Details of Short-lifted quantity and amount towards short lifted quantity, if any.
- 1.28. **"Kilocalories"** shall mean the amount of heat required to raise the temperature of one (1) kilogram of water from 14.5 degree Centigrade to 15.5 degree Centigrade at a pressure of 1 atmosphere at sea level.
- 1.29. **"Laws, Regulations and Orders"** means the Central, State and local laws of India and all orders, ordinances, rules, regulations, decrees, policies, judicial decisions, notifications or similar directives issued by any executive, legislative, judicial or administrative entity or authority having jurisdiction on the issue or any person purporting to act in such capacity in accordance with which the Buyer and/or the Seller are accustomed and/or required to comply;
- 1.30. **"MCF"** means one thousand (1,000) SCF of Gas;
- 1.31. **"MCM"** means one thousand (1,000) SCM of Gas;
- 1.32. **"Measurement Point"** shall mean the point where the flanges connect the Seller's sales measuring equipment to the Buyer's Pipeline;
- 1.33. **"Million Kilo Calories"** or **"MKCal"** means one million Kilo Calories;
- 1.34. **"MMBTU"** means one million (1,000,000) British Thermal Unit (BTU);

- 1.35. **"MMGO" Monthly Minimum Guaranteed Offtake** has the meaning ascribed to it Article 6.01..
- 1.36. **"MMSCF"** means one million (1,000,000) Standard Cubic Feet of Gas;
- 1.37. **"MMSCM"** means million (1,000,000) Standard Cubic Meter of Gas;
- 1.38. **"MPMS"** means Manual of Petroleum Measurement Standards published by the American Petroleum Institute;
- 1.39. **"Net Heating Value"** or Net Calorific Value of Gas per SCM means that the quantity of heat in Kilocalories evolved by complete combustion, at a constant pressure, of one (1) standard cubic metre of GAS with air and with the temperature of GAS, air and products of combustion at fifteen (15) degree Celsius and all the water formed by combustion reaction remaining in the vapour state.
- 1.40. **"Party"** means BUYER or SELLER and **"Parties"** means both BUYER and SELLER;
- 1.41. **"Price"** means the price to be paid by the BUYER to SELLER for one MMBTU of Sellers Gas delivered by SELLER to BUYER hereunder as set forth in Schedule B;
- 1.42. **'Producing Areas'** means those petroleum accumulation described in the Schedule A of this Agreement which Seller shall produce and supply and Buyer shall purchase Seller's Gas hereunder;
- 1.43. **"PSIA"** means a unit of pressure expressed in pounds per square inch absolute;
- 1.44. **"PSIG"** means a unit of pressure expressed in pounds per square inch gauge;
- 1.45. **"Quantity"** has the meaning ascribed to it in Article 5;
- 1.46. **"Quarter"** means the period of time commencing at 06:00 hours on January 1, April 1, July 1 and October 1 and expiring at 06:00 hours on the first day of the next succeeding calendar quarter;
- 1.47. **"SCF"** means standard cubic foot of Gas;
- 1.48. **"SCM"** means standard cubic meter of Gas;
- 1.49. **"Scheduled Delivery Commencement Date"** means the delivery commencement period promised in the bid hereunder as set forth in Article 2.02 and Schedule A of this Agreement.
- 1.50. **"Seller's Gas"** means Gas produced by Seller from the Producing Areas for delivery and sale to Buyer hereunder;
- 1.51. **"Seller Shortfall Gas"** has the meaning ascribed to it in Article 6.03.
- 1.52. **"Specifications"** means the specifications for Seller's Gas set forth in Schedule C;
- 1.53. **"Supplementary Invoice"** means and includes a document containing calculations sent by SELLER to BUYER specifying:
 - i. the calculations of charges due from BUYER to SELLER under this Agreement for any previous Billing Period(s), and

- ii. any other adjustment
- 1.54. “Term” has the meaning ascribed to it in Article 2.01;
- 1.55. All references herein to persons shall where the context admits be deemed to include bodies corporate, unincorporated associations and partnerships.
- 1.56. Unless the context requires otherwise, in this Agreement:
 - (a) The headings are for convenience only and shall be ignored in construing this Agreement;
 - (b) The singular includes the plural and vice versa;
 - (c) References in Articles, Schedules and Annexures are, unless this context otherwise requires, references to Articles of, Schedules of, and Annexures to, this Agreement;
 - (d) In carrying out its obligations and duties and exercising its rights under this Agreement each Party shall have an implied obligation to act in good faith; and
 - (e) The word "including" means "including without limitation".
- 1.57. “Affiliate” has the meaning ascribed to it in Article 15.02.

ARTICLE- 2

TERM

- 2.01 This Agreement shall commence and be effective from Scheduled Delivery Commencement Date as mentioned in Notification of Award dated _____ or Delivery Commencement Date whichever is earlier and the term of this Agreement shall be initially for ___ (in words) years from such date, unless terminated earlier.
- 2.02 BUYER shall make arrangement for receiving Gas from ONGC’s installation to their factory/premises within ___ (in words) days (the delivery commencement period as promised in their bid) from the date of award, called the Scheduled Delivery Commencement Date. The date of commencement of deliveries of SELLER’s Gas is called the Delivery Commencement Date.
- 2.03 In Compliance to GoI policy in terms of MoP&NG circular dated 01.03.2019 on ‘Implementation of the cabinet decisions on reforms in Exploration and licensing policy for enhancing domestic exploration and production of oil and gas’, Seller has awarded certain fields under Production Enhancement Contract (PEC) to third party Contractor(s) and more fields may be awarded under PEC under the policy as revised from time-to-time. As per the provisions of PEC, the marketing of the natural gas shall be undertaken by the Contractor(s) through a transparent bidding process on Arm’s Length Sales.

If the field covered under this GSA is awarded under PEC then the existing arrangement of gas supply through this GSA will continue till the new customer is identified and is in a position to start offtake. After the new customer start taking gas from such field, this GSA shall no longer exist.

ARTICLE 3

EXTENSION OF TERM OF AGREEMENT

- 3.01 The Agreement will be valid till the Term of the Agreement as stipulated in Article 2 and may be extended further by mutual consent subject to availability of gas and ONGC’s

ability to supply. The Agreement will be reviewed before 06 months of expiry and may be extended further subject to gas availability on mutually agreed terms and conditions.

ARTICLE 4

DELIVERY POINT AND PRESSURE OF GAS

- 4.01 GAS shall be delivered to the BUYER at a Gas Metering Station located at SELLER's premises at <Name of installation to be inserted>. Gas will be transported from the downstream flange of the pipeline at the outlet of the GAS metering station, hereinafter referred to as the "Delivery Point", by means of Pipeline to be provided and maintained by the BUYER.
- 4.02 The SELLER shall maintain the "Gas Metering Station" constructed by the SELLER.
- 4.03 The BUYER shall make all proper and adequate arrangement for receiving GAS at the outlet of Gas Metering Station at his own risk and cost. Should any defect in the BUYER's intake arrangement arise, the same shall be rectified by the BUYER. The SELLER shall have an option but no obligations to stop supply of GAS as soon as any defect is noticed in the BUYER's intake arrangements. The BUYER shall be liable to pay for Monthly Minimum Guaranteed Off-take of GAS as per provisions of Article 6 hereinafter to the SELLER on account of defect in the BUYER's intake arrangement.
- 4.04 The Gas pipeline from the Delivery Point shall be owned/arranged and maintained by the BUYER at his own risk and cost, in accordance with the natural gas pipeline safety and statutory regulations in force. The BUYER shall indemnify SELLER against any liabilities, causes, expenses, damages or losses as referred to in Article 23.01 herein.

Provided further that the SELLER shall have no liability whatsoever for any claims/damage/loss arising out of any accident due to bursting/leakage/ any other damage to the BUYER's pipeline for whatever reason. The BUYER shall be strictly liable for any such accident and shall indemnify and hold harmless the SELLER against any liability whatsoever arising out of any claim / damages / loss arising out of accident due to bursting / leakage / any other damage to the BUYER's pipeline for whatsoever reason.

BUYER is required to follow prevalent Standards applicable for laying of his transportation pipeline from ONGC's installation to BUYER's premises and shall submit a compliance report to SELLER before commencement of Gas supply. Prior to commencement of gas supply to Buyer, Buyer is required to submit the required statutory clearances.

- 4.05 For effecting delivery of GAS, the SELLER shall maintain at its own risk and cost, the piping control and regulation and metering equipment in the aforesaid Gas Metering Station located at Seller's premises at <Name of installation to be inserted>. Prior to commencement of gas supply to Buyer, the GAS metering equipment is to be jointly calibrated by Seller & Buyer.
- 4.06 Title of "GAS" shall pass from the SELLER to the BUYER at the Delivery Point. The Delivery Point shall be at the downstream flange of the pipeline at the outlet of the Gas Metering station.
- 4.07 The SELLER shall, under the normal circumstances of supply of GAS and normal off-take by the BUYER and other consumers, make endeavour to maintain a gauge pressure as available at the Delivery Point as set forth in Schedule A attached.
- 4.09 4.08 (If applicable) The Buyer in addition to the price of gas shall make additional payment of transportation charges for transportation of gas for making delivery of gas at Delivery Point at the rates finalized by SELLER from time to time. Such Transportation

charges shall be levied on the actual transported quantity of gas. The statutory levies, if applicable, will be added to the transportation charges. In case of any reservoir failure, the allotted customer shall be given priority in getting gas supply at the same terms and conditions from any nearby field in the same Asset/Basin subject to customer undertaking to transport gas from the new location at their own expense within 180 days (or such period as agreed in writing by ONGC) from ONGC's conveying the decision. Such offer would be made during the initial term of the contract only.

ARTICLE - 5

DAILY CONTRACTED QUANTITY (DCQ) & NOMINATIONS

- 5.01 Subject always to availability of gas and SELLER's ability to supply gas to the BUYER, the SELLER agrees to sell and deliver the gas at the aforesaid Delivery Point to the BUYER, on fall back basis, as provided here under and as set forth in Schedule D of the agreement:
- 5.01.1 The gas quantity is to be inserted <Field specific>.
- 5.02 There could be a maximum of 10% variation on either side on an hourly basis from the average hourly rate.
- 5.03 Deleted.
- 5.04 Deleted.
- 5.05 Deleted.
- 5.06 Deleted.
- 5.07 Seller shall prepare and provide to Buyer a firm monthly quantity of Seller's Gas at Delivery Point based on Seller's Production plan Prior to the 20th day of each month during the Term, Seller shall provide Buyer with a detailed schedule of Seller's daily nominations and deliveries of Seller's Gas for the following month ("Daily Contract Quantity") based on applicable Seller's Production Plan. Seller's daily nominations herein shall establish the 'Daily Contract Quantity', hereinafter called DCQ that Buyer must take or nevertheless pay for Monthly Minimum Guaranteed Off-take (MMGO) charges under Article 6 herein and such nominations shall be binding on the Buyer. The total quantity of Seller's nomination in the 12 Monthly Contract Quantities in Financial Year shall be the 'Annual Contract Quantity'
- 5.08 In the event of additional gas becoming available, Seller at its own discretion, may supply additional gas upto 10 % of contracted quantity (as per 5.01.1) on daily basis subject to acceptance by the Buyer and such additional quantity would be supplied on reasonable endeavor basis. However, such excess quantity supplied by Seller shall be on temporary basis as per availability of gas and Seller shall not be liable for supply of such quantity on sustainable basis. The Buyer shall only be entitled for such additional gas only after the nominated gas supply is taken/consumed and such additional gas quantity would not be considered for determination of Minimum Take or Pay Obligation.

ARTICLE - 6

MINIMUM TAKE OR PAY OBLIGATIONS

- 6.01 After commencement of actual gas off-take, BUYER shall pay to the SELLER the higher of the following:
- a. Price for the actual quantity of gas off-taken by BUYER or

- b. An amount equal to 80% of the monthly quantity on the basis of the DCQ , i.e., the Monthly Minimum Guaranteed Off-take (MMGO) charges.

In determining the adjusted Monthly Contract Quantity for any month, the following deductions shall be made from the Daily Contract Quantity (DCQ) for such month:

- i) Quantity not accepted due to Force Majeure as per the Article 11;
- ii) Quantity not taken due to Scheduled Outage pursuant to Article 8;
- iii) Deleted

Provided, however, that in case gas available with SELLER is less than MMGO and Buyer offtakes entire gas available, then BUYER shall pay only for the actual supply.

6.02 The Monthly Minimum Guaranteed Off-take (MMGO) charges would be adjusted on Financial Year basis and it would be 80% of the 'Adjusted Annual Contract Quantity' (AACQ). Adjustment of Annual shortlifted quantity (80% of AACQ less Actual supplies during the Financial Year), if any, shall be made based on weighted average price for that Financial Year.

6.03 In determining the Adjusted Annual Contract Quantity (AACQ) for any Financial Year, the following deductions shall be made from, the Annual Contract Quantity for such Financial Year:

- (i) Any quantity of Sellers Shortfall Gas (If in any Year the Seller fails to supply 80% of the Annual Contract Quantity the difference between the quantity of the Gas supplied by the Seller and 80% of the 'Annual Contract Quantity' shall be classified as "**Sellers Shortfall Gas**").
- (ii) Quantity not accepted due to Force Majeure;
- (iii) Quantity not taken due to Scheduled Outage pursuant to Article 8;
- (iv) Deleted
- (v) Additional quantity of gas supplied to the Buyer (As per Article 5.08).

6.04 The gas supplies under this Agreement shall be from the source/field indicated. The SELLER shall endeavour to supply gas from such source uninterruptedly subject to availability. However, due to reasons primarily attributable to the geological reservoir uncertainties & complexities, other complications in the gas wells or any reasons whatsoever, if gas supply cannot be provided, the SELLER shall not be responsible nor it shall be an issue for arbitration or a matter of dispute in Court of Law. BUYER agrees and accepts that ONGC's statements regarding availability of gas shall be final and binding on BUYER. The BUYER shall make all necessary provisions for creation and maintaining dual fuel capabilities in order to meet BUYER's fuel requirement by an alternative fuel/ substitute to gas, as and when gas supplies are interrupted or discontinued for the reasons mentioned herein.

6.05 Further, the provisions relating to payment of Monthly Minimum Guaranteed Off take (MMGO) charges by the BUYER contained in Article 6.01 & 6.02 shall not apply during the Force Majeure period as stipulated in Article 11 hereof.

6.06 In case of delay by the BUYER for commencement of gas off-take, the BUYER shall pay to the SELLER the cost of gas for the delayed period from the Scheduled Delivery Commencement Date on weekly basis either through bank transfer in Seller's account through NEFT/RTGS/Electronic Fund transfer or irrevocable Letter of Credit (L/C) or through Unconditional Irrevocable Bank Guarantees (BGs) {twelve separate BGs each covering 1 (one) week of cost of gas as quantity mentioned under Article 5.01 from the Nationalized/Scheduled banks only (in case of scheduled commercial private sector bank minimum AA credit rating from any of ICRA/CRISIL/CARE/IND-RA will be required) termed as 'Security Deposit (s)' hereunder.

- 6.07 The 'Security Deposit(s)' as mentioned under Article 6.06 above should be valid for at least one year plus thirty days from the date of opening of un-priced bids or for a period of six months plus thirty days beyond the promised date of utilization, whichever is later. The 'Security Deposit (s)' shall be regulated to the actual allocation level (in case of allocation lesser than that required by the Buyer) at the price as set forth in Schedule B of this agreement considering the RBI reference rate of the previous month of award of allocation. The Security Deposit shall be liable for invocation/encashment on a weekly basis in the event of delay in utilization of gas as per the gas usage promised by the Buyer in the bid document beyond the time of utilization promised (beyond the Scheduled Delivery Commencement Date) in the bid by the Buyer as mentioned in Article 6.06 above. After retaining the pro-rata amount for the actual number of days delayed from the 'Security Deposit (s)' amount invoked/encashed for the last week of delay, the balance amount, if any, shall be refunded to the Buyer on actual commencement of the gas supply and submission of Payment Security in terms of Article 13.12 (Billing & Payment).
- 6.08 In case of delay in gas off-take by the Buyer beyond twelve weeks from Scheduled Delivery Commencement Date, the allocation can be retained by the Buyer provided 'Security Deposit(s)' for a further period of twelve weeks is provided by the Buyer on the same terms and conditions. In case it is not provided within 7 (seven) days from the expiry of the first 12 (twelve) weeks period, the gas allocation made to the Buyer shall stand cancelled.
- 6.09 In case of delay by Buyer beyond first twenty four weeks (168 days) period, Seller may terminate the agreement without further notice.
- 6.10 In case there is any difficulty in invoking/encashing the 'Bank Guarantee/LC' towards 'Security Deposit (SD)' as envisaged in Article above, opportunity would be given to the Buyer to provide the equivalent amount due through a bank draft within 5 (five) working days, failing which the allocation will be liable to be cancelled forthwith without any further notice and that gas can be allotted to the next Bidder in the queue from the previous bid or a new bid would be undertaken if no prior bids are available.
- 6.11 The twelve weeks cost of gas would be calculated on gas quantity provided in Article 5.01 and multiplied by the price as set forth in Schedule B of this agreement plus applicable taxes thereon.
- 6.12 The 'Security Deposit (s)' would be provided in Indian Rupee. For calculating the amount of twelve weeks gas cost, following methodology for conversion is to be considered:
- a. MMBTU to 1000 SCM conversion factor: 39.68254 for GCV of 10000 Kcal/SCM.
 - b. For the USD to INR conversion, the average RBI Reference Rate available on FBIL website for previous month prior to the month of publishing of bid is to be considered. The RBI reference exchange rate of the month would be calculated by taking the average of the RBI reference exchange rates for all the days of the month for which the rates are available on the FBIL website. The average RBI exchange rate so calculated shall be rounded off to two decimal places. The rates can be downloaded from FBIL website: <http://www.fbil.org.in>.
- 6.13 Seller shall not be liable to pay any bank charges, commission or interest on the amount of 'Security Deposit (s)'.
- 6.14 The above 'Security Deposit (s)' shall remain at the entire disposal of Seller as a security for the satisfactory completion of the obligations by the Buyer in accordance with the conditions of the Gas Supply Agreement.

ARTICLE 7
QUALITY OF GAS

- 7.01 The quality of the Seller's Gas delivered hereunder shall be the quality of such Seller's Gas as usually made available by Seller at the Delivery Point. Seller will endeavour to ensure the quality Specifications for the Seller's Gas at the Delivery Point as set forth in Schedule C (the "Specifications").
- 7.02 All Seller's Gas delivered and accepted by Buyer under this Agreement, constitutes the whole of the Seller's obligations with respect to the description, quality and fitness for purpose of the Seller's Gas to be delivered and (save to the extent that exclusion thereof is not permitted or is ineffective by operation of Laws, Regulations and Orders) all statutory or other conditions warranties, express or implied, with respect to the description or satisfactory quality of the Seller's Gas or its fitness for any particular purpose or otherwise are hereby excluded.
- 7.03 The quality of Seller's Gas at the Delivery Point shall be verified jointly as set forth in Schedule A.

ARTICLE 8

SHUT DOWN AND STOPPAGE OF SUPPLY

- 8.01 After commencement of actual gas off-take, BUYER and SELLER may shutdown its facilities for maintenance for maximum 3 times (scheduled outages) in a Financial Year. The total shutdown period will not be more than 20 days in aggregate per Financial Year (on pro-rata basis) for both Buyer and Seller with written information to the other Party.
- 8.02 BUYER and SELLER agree to make best endeavor to synchronize the Scheduled Outages in overall interest of both the parties.
- 8.03 The party availing Scheduled Outages shall give at least 7 (seven) days' advance notice in writing to the other party of the beginning date and the duration of the Scheduled Outage. During such shutdown the provision of Article 6.01 shall not be applied.
- 8.04 The BUYER shall inform the SELLER immediately about any accident and/or defects in pipeline, installation of the BUYER, calling for the complete or partial stoppage of supply of GAS. Provided that in all such cases, the BUYER shall undertake immediate steps to rectify the defects for commencing normal intake of GAS. Provided that in all such cases, the provisions relating to payment of Monthly Minimum Guaranteed Off take by the BUYER contained in Article 6.01 shall apply.
- 8.05 The SELLER shall, likewise, inform the BUYER immediately about any accident and/or defects in installations and/or gas pipelines of the SELLER calling for the complete or partial stoppage of supply of gas. Provided that in all such cases, the SELLER shall undertake immediate steps to rectify the defects for commencing normal supply of GAS. Provided that in all such cases, the provisions relating to Monthly Minimum Guaranteed Off-take by the BUYER contained in Article 6.01 shall not be applicable for the duration of stoppage of supply of GAS by SELLER during this period.

ARTICLE 9

MEASUREMENT AND CALIBRATION

- 9.01 The measurement of the quantity of the Seller's Gas and the testing of the quality shall be carried out at the Delivery Point in accordance with prevailing standard practice followed at the Delivery Point and the corresponding standards listed in Appendix A at the time of delivery. Seller may install new systems as required under AGA for improvement in measurements and testing practices at the Delivery Point. Both Parties

shall be present for all measurements and all ticketing of deliveries shall be completed on a joint basis.

- 9.02 Gross and Net Calorific Value (GCV and NCV) shall be measured as per industry practice and frequency shall be at least once for each billing period or as agreed otherwise.
- 9.03 The certificates of quantity and quality (or such other equivalent documents as may be issued at the Delivery Point) of the Seller's Gas shall, except in cases of manifest error or fraud, be conclusive and binding on both Parties for Seller invoicing purposes and Buyer shall be obliged to pay the invoiced amount.
- 9.04 The Parties agree to joint calibration of the measurement and testing devices at Delivery point in the frequency set forth on Schedule A.
- 9.05 Deleted
- 9.06 If upon conducting a test of any measurement:
- (a) any measuring equipment is found to have a margin of error (as per recommendations of AGA), then the prior recorded measurements/results of such equipment shall be deemed correct for computing the Seller's Gas deliveries, but the equipment shall be promptly adjusted to operate and record and/or test correctly.
 - (b) any measuring system in the aggregate is found to have a margin of error which exceeds the value as per recommendations of AGA, then, for the period for which such device has been known or is mutually agreed to have been so inaccurately functioning, the recorded measurements/results of such equipment shall be corrected to zero (0) margin of error for such period. If, however, the period of such inaccurate functioning of the device is not known or is not mutually agreed upon, then, at least for the period equivalent to half the time elapsed since such device was last found to have a margin of error of less than the value as per AGA recommendations, the devices recorded measurements/ results shall be adjusted to a zero (0) margin of error.
- 9.07 Any claim as to shortage in quantity and/or defect in quality of the Seller's Gas shall be made by written notice to Seller immediately after such apparent shortage and/or defect is/are discovered at the Delivery Point, provided that such shortage and/or defect are greater than the value as per AGA recommendations, Such initial written notice shall be followed by a formal written claim within 15 days to Seller with all details necessary to evaluate the claim.
- 9.08 Either Party may challenge the calibration of a measurement device by depositing the advance to the owner of such measurement device, double the cost of retaining an Expert to test the calibration. An Expert is an independent and impartial person with relevant qualifications and experience appointed by ONGC. If the recalibration test results confirm the measurement equipment is outside of acceptable parameters, the advance shall be returned by the owner and the owner shall pay the costs of the recalibration. If the recalibration test results confirm the measurement equipment is properly functioning, the owner shall be entitled to pay the costs of the recalibration from the advance and retain the balance of the advance.
- The Buyer shall not raise any claim for interest over the advance amount so deposited and the decision of the Expert appointed for the purpose of testing the calibration of the device shall be final and binding on the parties and shall not be subject to arbitration.
- 9.09 In case any dispute between Seller and Buyer in relation to the quality or quantity of the Seller's Gas delivered hereunder cannot be resolved amicably through mutual consultation it shall be dealt as per the provisions of Article 16 (Dispute Resolution).

- 9.10 The Parties agree to validation of the measurement and testing devices at Delivery Point every 2/3 Years by an accredited inspector in accordance with normal practices.
- 9.11 If any measurement device is out of service or is registering inaccurately, the quantity of the Seller's Gas purchased and sold under this Agreement shall be estimated by mutual agreement:
- a. by correcting the error, if the proportion of the error is ascertainable by calibration or test, or analytically in accordance with acceptable international gas industry practice; or in the absence thereof;
 - b. by using the readings of a check meter in the case of measurement, if installed and accurately registering; or in the absence thereof;
 - c. by estimating the quantity of the Seller's Gas delivered by comparison with past deliveries during a period of similar conditions when the device was registering accurately;
 - d. by using an alternate acceptable form of measurement and/or testing.

ARTICLE 10

SAMPLING OF GAS

- 10.01 Sampling of GAS will be done according to MPMS (Manual of Petroleum Measurements Standards) 14 of API (August'93) titled "Collecting and handling of Natural Gas Sample for custody transfer" as contained in Manual of Petroleum Measurements Standards and such modifications thereof as may be made in future reports published or any other procedure as may be mutually acceptable to the SELLER and the BUYER for collection of the representative sample.
- 10.02 The representative sample of GAS shall be collected from the pipeline near the gas Delivery Point at least once for each billing period. SELLER will be intimated for sampling. The sample will be analyzed in SELLER's laboratory.
- 10.03 The certificate of quality (or such other equivalent documents) of the SELLER's Gas shall, except in cases of manifest error or fraud, be conclusive and binding on both the Parties for SELLER invoicing purposes and BUYER shall be obliged to pay the invoiced amount.
- 10.04 The quality of the Seller's Gas delivered shall be as indicated in Schedule C.

ARTICLE 11

FORCE MAJEURE, ETC.

- 11.01 Neither Seller nor Buyer shall be responsible for any failure or delay in fulfilling the relevant obligations under this Agreement, as a result of Force Majeure, except in relation to obligations of BUYER to make payments under the Agreement. The term "Force Majeure" shall mean unavoidable causes reasonably beyond the control and without the fault or negligence of either party such as acts of God, fires, floods, cyclones, typhoons, earthquakes, wars (declared or undeclared), hostilities, invasion, blockades, riots, epidemics, pandemics, quarantine restrictions, nationwide strikes, freight embargos, civil commotion or any order of Government, local authority having jurisdiction or anybody or person purporting to be or to act for such authority directly affecting the performance of

this Agreement. In case of Force Majeure, the Parties agree to provide forty-eight [48] hours' notice to be served by the affected Party.

11.02 If, by reason of any cause reasonably beyond the control of the SELLER, there is a curtailment of or interference with the availability of SELLER's Gas from the Producing Areas which:

(a) delays or hinders the SELLER in, or prevents the SELLER from, supplying the contracted quantity of the SELLER's Gas deliverable hereunder; or

(b) results in insufficient SELLER's Gas being available to the SELLER on a regular and reliable basis to enable it to supply itself with its requirements;

then, for so long as that situation continues, the SELLER shall be entitled to withhold, reduce or suspend delivery hereunder to such extent as the SELLER may deem appropriate keeping the situation in mind and the SELLER shall not be bound to acquire by purchase or otherwise additional quantities of Gas from any source.

11.03 For the purposes of this Article, and without limitation to the generality of Article 11.02, a cause shall be treated as being reasonably beyond the control of the SELLER if it arises or results from:

(a) any requirement by any Government or Government agency for SELLER's Gas deliverable hereunder to be delivered by way of royalty in kind or otherwise;

(b) any reduction in availability of SELLER's Gas deliverable hereunder, including adverse reservoir behaviour in the Producing Areas, which in the SELLER's opinion as a prudent operator was not reasonably foreseeable;

11.04 In the event of Force Majeure, the Party asserting the claim of Force Majeure shall provide notice promptly and in no case later than forty-eight [48] hours after the occurrence of event of Force Majeure, notifying the other Party with respect to the ongoing Force Majeure event, giving full particulars of the Force Majeure, the estimated duration thereof, the obligations affected and the reasons of its suspension and its ability to recommence performance of its obligations under the Agreement as soon as possible.

11.05 The Party asserting the claim of Force Majeure shall have the burden of proving the circumstances constitute valid grounds of Force Majeure under this Article and that such Party has taken all precautions/measures and exercised reasonable diligence and efforts to remedy the cause of any alleged Force Majeure.

11.06 For avoidance of doubts, it is clarified and expressly understood between the Parties that relation between Seller and Buyer is limited to the present Agreement and Seller is not a party between Buyer and its customers and a cause shall not be treated as being reasonably beyond the control of Buyer if it arises or results from non-availability of further customers of Buyer or non-drawl of gas by customers of Buyer for any reason whatsoever.

11.07 In the event of Force Majeure, the Parties agree to use best efforts to remedy the event of and mitigate the effect of Force Majeure.

11.08 Notwithstanding anything contained in Article 2 (Term), in the event Force Majeure condition continues and remains un-remedied for period of [90] days from the date of beginning, the SELLER shall have sole discretion to terminate the AGREEMENT without any liability on his part, on this account, upon giving [30] days' notice to Buyer.

11.09 BUYER will continue to make payment to the SELLER for actual quantity of GAS supplied prior to commencement of FORCE MAJEURE and during the period of FORCE MAJEURE.

ARTICLE 12

PRICE OF NATURAL GAS

- 12.01 The price of gas shall be as set forth in Schedule B of the Agreement.
- 12.02 BUYER being in doubt, whether a particular tax or duty or any change is effective or imposed, as the case may be, the BUYER shall take up the matter directly with the Central or State Govt. or local authority or any such other body or bodies concerned without withholding the payments of amounts invoiced to SELLER.

ARTICLE 13

BILLING AND PAYMENT

- 13.01 SELLER shall raise an invoice on BUYER in Indian Rupees, on fortnightly basis for the Gas delivered in SCM or MMBTU during the period, specifying the following:
 - I. The gas quantity for the applicable Billing Period;
 - II. The details of the Gross Calorific Value (GCV) to derive SELLER’s Gas sold during a Billing Period;
 - III. The details of the Net Calorific Value (NCV) of gas, if applicable;
 - IV. Price of the Gas and Marketing margin as set forth in Schedule B of the Agreement;
 - V. Details of Short-lifted quantity and amount towards short lifted quantity, if any; and
 - VI. Applicable taxes, and levies on above.

The billing period means a period of consecutive days beginning at 06.00 hrs. from a day and ending at 06.00 hrs. on the first day of the immediately following Billing period as under:-

- (i.) “First Billing Period” means the 1st to 15th day of the Month;
- (ii.) “Second Billing Period” means the 16th to last day of the month;

The invoice or Supplementary Invoice shall be sent by facsimile or e-mail to the designated officer as set forth in Schedule A of this Agreement or to such other number or e-mail address as Buyer may from time to time designate by notice to Seller.

- 13.02 BUYER shall pay the amount due in the invoice to SELLER for all SELLER’s Gas delivered and any applicable charges during any Billing Period (the amount invoiced as due for that Billing Period) and any amount due and reflected on the Supplementary Invoice for that Billing Period, by the following Due Dates:

<u>Billing Period of Deliveries and Supplementary Invoice</u>	<u>Due Date</u>
First Billing Period	22 nd of the current Month
Second Billing Period	07 th of the succeeding Month

MMGO shall be billed on monthly basis taking into account DCQ and it will be a part of the invoice for the second Billing Period for the month. Invoice of Annual shortlifted quantity, if any, shall be raised at the end of Financial year.

In addition to the payment dates above, the BUYER shall pay MMGO to the SELLER on a monthly basis in case the off-take during the month qualifies for such payment as per Article 6.01 before 7th of the succeeding month.

- 13.03 The Seller shall calculate the Price of gas delivered at the Delivery Point in accordance with Article 12.01 based on the gross calorific value of Seller's Gas delivered during the Billing Period where appropriate real time measurement facilities are in place and functioning. In case of non-functioning of measurement facilities, the Seller shall calculate the Price based on the average gross calorific value of Seller's Gas in pervious Billing Period where the calorific value has been verified. Price shall be subsequently adjusted to reflect actual calorific value of Seller's Gas once actual calorific value is determined.
- 13.04 Interest on overdue payments shall accrue as of and including the Due Date for payment and ending on but excluding the date of payment. Delay in payment will attract interest @ State Bank of India (SBI) Base Rate plus 6% per annum compounded quarterly for each day payments are overdue until paid.
- 13.05 BUYER shall arrange remittance of the Amount Due and other amounts due on the Supplementary Invoices on or before the Due Date specified herein in immediately available funds via electronic transfer or telegraphic transfer to the bank(s) and account(s) designated from time to time by SELLER by notice to BUYER. BUYER shall provide (by facsimile transmission or by e-mail to a designated officer of SELLER) at the time of any such payment, details of BUYER's payment at the time of any such payment. The cost, if any, of such electronic transfers or telegraphic transfer shall be borne by the BUYER.
- 13.06 Deleted.
- 13.07 In case of unscheduled closure of either Seller's or Buyer's banks on the Due Date, the payment will be made on the following working day.
- 13.08 In case of scheduled closure of either Seller's or Buyer's bank on the Due Date, the payment will be made on the preceding working day.
- 13.09 If Seller's banks and Buyer's banks are closed for two consecutive days or more, the payment would be made on the day preceding to the first holiday.
- 13.10 Notwithstanding anything contained in Clauses 13.07, 13.08 and 13.09, in case payment Due Date falls on Bank's non-working Saturdays, payment shall be made on Friday, whereas when payment Due Date falls on Sunday, payment shall be made on immediately following Monday.
- 13.11 In case of non-receipt of payment within Due Date as per Sub-Article 13.02, Seller shall recover the same from the Payment Security provided to Seller as per provision of Article 13.13.
- 13.12 In the event of dispute regarding billing and payment, BUYER agrees that all payments due hereunder shall be paid in full, without any set off or deduction, and shall be subsequently adjusted if so agreed by the Parties or, failing agreement within [60] days, matter shall be resolved in accordance with Article 16.
- 13.13 **Security of payment against gas supply:** At the time of signing of Gas Supply Agreement, the BUYER shall submit irrevocable and without recourse standby Letter of Credit (hereinafter referred to as L/C) for ₹_____ from any Nationalized/Scheduled Commercial Bank(in case of scheduled commercial private sector bank minimum AA credit rating from any of ICRA/CRISIL/CARE/IND-RA will be required) at _____ (name of Place) in

favour of the SELLER as per Format provided in Schedule E. This L/C is the value equivalent of 60 days of gas supply calculated on DCQ (as specified in Article 5.01) and multiplied by price of the gas as specified in Schedule B of the Agreement considering the gross calorific value (GCV) of gas to be supplied by the Seller (marketing margin and all applicable taxes and duties etc. shall be added to the applicable price of gas). The L/C should be valid for one year period. Gas supply to the consumer shall not commence unless L/C towards payment security is furnished.

If the L/C is en-cashed for three or more times in a Financial Year due to any reason attributable to the Buyer, then the Buyer shall maintain a L/C of 125% value of the original L/C amount to provide higher payment security.

13.14 During the term of the Agreement, this amount shall be calculated twice in a year in the months of April and October. Such amount would be calculated based on rolling average of the conversion rate of US\$ vis-à-vis INR for the preceding 6 (six) months and based on DCQ nominated by the seller for the preceding 6 (six) months at the gas price published and prevailing in the months of April and October respectively. The amount for payment security shall have to be revised if the amount so calculated varies by more than 10% on positive side. The Payment security will be reviewed and replenished (if required) similarly during the course of Agreement.

13.15 The BUYER shall ensure the validity of the L/C by getting extension duly issued by his Banker at least one month before the expiry of the existing L/C. Further, Buyer shall ensure that during the last year of Contract, validity of the LC submitted is at least till three months beyond the Term of Contract. In case of failure to extend the validity of L/C by the BUYER, SELLER shall have right to invoke the L/C for encashment and keep the amount as deposit till the L/C is renewed. Further, SELLER shall have the right to stop the supplies for not keeping the L/C valid without any prejudice to the rights of SELLER to recover for monthly minimum guaranteed off take (MMGO) as per Article 6.01 of the Agreement.

13.16 **Bank Transfer:** Though the preferred mode of Payment Security for ONGC is providing LC as above, as an alternate option, Buyer may choose to provide Payment Security by way of Bank Transfer of the same amount as determined at Article 13.12 above. However, such deposit will not be considered as advance payment and will not carry any interest.

Payment Security shall be provided either in form of LC or Bank Transfer (through electronic transfer). However, combination of both would not be allowed. Buyer is also to provide relevant proof of submission of such cash deposit in ONGC account

Other terms of the LC as provided at 13.12 to 13.14 above will also be applicable to Payment Security provided in the form of Bank Transfer. Such Payment Security shall be released by ONGC three months after the expiry of the contract after making adjustments towards outstanding amounts, if any.

13.17 The bank charges, commissions, etc. required to maintain the Payment Security as per above provisions shall be borne by the Buyer.

ARTICLE 14

New and Changed Laws, Regulations and Orders

- 14.01 It is understood by both Parties that they are entering into the Agreement in reliance on the Laws, Regulations and Orders in effect on the date hereof.
- 14.02 If at any time and from time to time during the currency of the Agreement any Laws, Regulations and Orders are changed or new Laws, Regulations and Orders have become or are due to become effective and the material effect of such changed or new Laws, Regulations and Orders; (a) is not covered by any other provisions of this Agreement, and (b) has or will have a materially adverse economic effect on either party, the affected party shall have the option to require renegotiation of the Price or other relevant terms of the Agreement. Such option may be exercised by the affected party at any time after such changed or new Laws, Regulations and Orders are promulgated by written notice to the other party, such notice to contain the terms desired by the affected party. If the Parties do not agree upon new Price or terms satisfactory to both Parties within [60] days after the date of the affected party's notice, the affected party shall have the right to suspend the Agreement immediately at the end of such [60] day period. Any Gas delivered during such 60 days period shall be sold and purchased at the existing Price and on the terms applying under the Agreement without any adjustment in respect of the new or changed Laws, Regulations and Orders.

ARTICLE 15

TRANSFER OF RIGHTS

- 15.01 Neither Party shall assign any of its rights or transfer or subcontract any of its obligations under this Agreement without the prior written consent of the other Party. In the event of an assignment in accordance with the terms of this Article, the assignor shall nevertheless remain responsible for the proper performance of the Agreement. Any assignment not made in accordance with the terms of this Article shall be void.
- 15.02 Subject to Article 15.03, a Party may assign its rights and transfer its obligations under this Agreement to its Affiliate with the prior consent of the other Party, which shall not be unreasonably withheld. Provided that:
- 15.02.01 an entity shall qualify as an "Affiliate" of the Party if it, directly or indirectly, controls, is controlled by or is under common control of such Party; the term "control" meaning ownership of more than fifty percent (50%) of the equity share capital or voting rights of such Party;
 - 15.02.02 such affiliate has the ability to perform all obligations of the Party under the Agreement; and
 - 15.02.03 such affiliate expressly assumes such obligations;
- 15.03 Provided that such request of BUYER will only be considered if the proposed Assignee fulfills the techno-commercial criteria, prescribed in the Bid Document at the time of submission of such request.
- 15.04 If the BUYER intends to transfer or assign its rights and obligations under this Agreement, except the BUYER's obligation to pay the amounts due to ONGC under this Agreement, to an Affiliate, BUYER shall obtain prior permission of the SELLER for such transfer or assignment.
- 15.05 Acceptance of request for transfer/assignment shall be subject to approval of Government Rules/Regulations and guidelines.

ARTICLE 16

DISPUTE RESOLUTION

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, at any time in connection with construction, meaning, operation, effect, interpretation of the contract or breach thereof shall be referred to "Resolution of disputes" as provided below:

16.01. The Parties shall use their best efforts to settle amicably all disputes or difference arising out of or in connection with any of the terms and conditions of this Agreement or concerning the interpretation or performance thereof.

16.02. SOLE EXPERT

Matters which, by the terms of this Agreement, the Parties have agreed to refer to an expert and any other matters which the Parties may agree to so refer, may be referred to a sole expert ("Expert") who shall be an independent and impartial person of international standing with relevant qualifications and experience, appointed by agreement between the Parties and who shall not, by virtue of nationality, personal connection or commercial interest, have a conflict between his/her own interest and his/her duty as a sole expert. In the event that the Parties fail or are unable, to agree on an Expert within 30 days or such longer period as may be mutually agreed by Parties, the matter shall be referred to Arbitration pursuant to this Schedule. Any Expert appointed shall be acting as an expert and not as an arbitrator and the decision of the Expert on matters referred to him/her shall be final and binding on the Parties and shall not be subject to [AMRCD and Arbitration]. The Parties intend that the Expert will primarily deal with "technical matters" (meaning matters involving issues including metering or measurement of crude oil and payment disputes which are capable of determination by reference to engineering or scientific or commercial knowledge and practice). The fees and expenses of an Expert appointed by the Parties shall be borne equally by the Parties.

16.03. If such disputes or differences cannot be settled amicably within ninety (90) days or such longer period as may be mutually agreed by the parties from the date of receiving written notice for the said purpose, then, such dispute or difference may be submitted to Arbitration for decision as hereinafter provided-

16.03.01. For Public Sector Undertaking:

In the event of any dispute or difference relating to the interpretation and application of the provisions of this Agreement, between Central Public Sector Enterprise (CPSEs), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018.

16.03.02. Other than Pubic Sector Undertaking:

Such dispute or difference shall be referred exclusively to arbitration under the provisions of the Arbitration and Conciliation Act, 1996 as amended from time to time. Arbitration under this clause will be referred to a panel of three (3) arbitrators. For arbitration between parties, one arbitrator shall be appointed by the Claimant(s) and the other arbitrator by the other Party, the two arbitrators so appointed shall then appoint the third arbitrator.

The claimant(s) and respondent(s) shall share the cost of arbitration equally. The seat and venue of the arbitration shall be [_____] provided that the Arbitrator may with the consent of the Parties agree upon any other venue. The language of arbitration shall be English.

Notwithstanding the existence of any arbitration in terms thereof or otherwise, the Parties shall continue and be bound to continue and perform all its/his outstanding obligations in all respects under this Agreement and the Parties shall remain liable and bound in all respects under this Agreement.

ARTICLE 17

TAXES AND DUTIES

- 17.01 All applicable taxes and duties including VAT, Sales Tax, octroi, entry taxes, Cess, TCS, GST, service tax and excise payable in respect of any Seller's Gas delivered/ Minimum Guaranteed Offtake hereunder will be to the Buyer's account and the Buyer agrees to pay the Seller for such taxes and duties along with price of the gas. In case of interstate sale Buyer shall be obligated to provide Form C promptly to enable timely submission by the Seller to the relevant tax authorities, failing which differential tax along with interest and penalty, if any, shall be on account of Buyer.
- 17.02 The amount of any taxes, duties, imposts, fees, charges and dues of every description imposed or levied by any governmental, local or port authority on the Seller's Gas supplied hereunder, or on its export, delivery, transportation, ownership, sale or use, in respect of any stage after title and risk in such Seller's Gas has transferred to the Buyer shall be to the Buyer's account.
- 17.03 Wherever for the purpose of administrative convenience/ tax requirement or otherwise, Seller pays any tax, Buyer would reimburse the same to the Seller except any penalties, interest, etc. paid due to default of Seller. Buyer would extend full cooperation to the Seller in the matter of all the tax assessments.

ARTICLE 18

TITLE AND RISK

- 18.01 Title and risk in the Seller's Gas shall pass from Seller to Buyer at the Delivery Point i.e. at the downstream flange of the pipeline at the outlet of the Gas Metering Station. Upon delivery at the Delivery Point, Buyer shall be deemed to be in exclusive control and possession of Seller's Gas and shall be fully responsible for and shall indemnify Seller against any damages or injury resulting from the transportation, handling or use of the Seller's Gas.

ARTICLE 19

LAWS GOVERNING THE AGREEMENT

- 19.01 The Agreement shall be governed by Indian Laws, rules and regulations, notifications etc. issued under such Laws both procedural as well as substantive, as may be amended from time to time. Courts at _____ (_____ State) shall have exclusive jurisdiction on the matters arising under the Agreement.

ARTICLE 20

RESTRICTIONS ON USE OF GAS

- 20.01 Buyer is entitled to use the gas for any purpose other than those contemplated in the Bidding document/GSA. Prior to changing the usage of gas, intimation by the BUYER through Email/Fax/Letter shall be given to SELLER.
- 20.02 BUYER shall not misuse the gas or use it for any anti national activity/anti-social activity. If he does so ONGC will not be liable for their misuse or such activity and shall be entitled to stop the gas forthwith as soon as it comes to the notice of ONGC.

ARTICLE 21

PREVIOUS CORRESPONDENCE.

- 21.01 All discussions and meetings held and correspondences exchanged between the BUYER and the SELLER in respect of the AGREEMENT and any decisions arrived at therein in the past and before coming into force of this AGREEMENT are hereby superseded by this AGREEMENT and no reference of such discussions or meetings or past correspondence will be entertained by either the SELLER or the BUYER for interpreting the AGREEMENT or otherwise.

ARTICLE 22

AMENDMENTS

- 22.01 Subject to Article 14, any amendment to any of the clauses of the Agreement will be proposed and sent in writing to the other party proposing such amendment and if both the SELLER and the BUYER agree to such amendment then the same shall be incorporated in the Agreement and shall become binding on the parties as such from the date the agreement is reached, unless otherwise agreed to.

ARTICLE 23

INDEMNITIES

- 23.01 Any loss, damage, liability, cost and/or expense related to:
- (a) any injury to, ill health, disease or death of an employee or a contractor or subcontractor of a Party (or any employee of such contractor or sub-contractor); and/or
 - (b) actual physical loss of or to Party's facilities;

which is caused by either Party's operations at or near the Delivery Point, shall be borne by the Party causing such loss, damage and cost of the Party which has engaged the relevant employee or contractor or sub-contractor, causing such loss or, damage and the Party causing such loss, damage, liability, cost and/or expense shall defend, indemnify, hold harmless and release the other Party in respect of such loss, damage, liability, cost and/or expense.

- 23.02 Whenever a Party (the "Indemnitee") becomes aware of a claim in respect of which it will or may be entitled to require the other Party (the "Indemnitor") to defend, indemnify, hold harmless and release it pursuant to Article 23.01 above, the Indemnitee shall promptly notify the Indemnitor and the Indemnitee shall take such action as the Indemnitor may reasonably request to avoid, dispute, resist, appeal, compromise or defend the relevant claim and any judgment in respect thereof, subject to the Indemnitee

being indemnified and secured to its reasonable satisfaction by the Indemnitor against all losses, costs, damages and expenses relating to such claim including, without limitation, those thereby incurred or to be incurred. If the Indemnitor does not request the Indemnitee to take any appropriate action as aforesaid, or shall fail to indemnify and secure the Indemnitee to its reasonable satisfaction within twenty-eight (28) Days of the notice to the Indemnitor, the Indemnitee shall be free to pay or settle the relevant claim on such terms as it may in its absolute discretion think fit and thereafter recover from the Indemnitor pursuant to the Indemnitee's rights under this Article.

ARTICLE 24

RIGHT TO STOPPAGE OF GAS/TERMINATION

24.01 Seller may at its sole discretion, and in addition to any other legal remedies it may have, forthwith upon giving [30] days' notice to Buyer, suspend deliveries of the Seller's Gas or terminate the Agreement if:

- i) Buyer for any reason whatsoever fails to make any payment due to Seller under the Agreement by the due date, failure remains un-remedied at the expiry of the aforesaid notice period;
- ii) Buyer is in substantial breach of its material obligations under the Agreement and such breach or failure remains un-remedied at the expiry of the aforesaid notice period;
- iii) Buyer fails to take delivery of Seller's Gas it is obligated to under this Agreement and such failures are not excused by any other provision in the Agreement;
- iv) A Buyer event of Force Majeure continues for [90] days or more;
- v) A petition is filed with the court having jurisdiction or an order is made or an effective resolution is passed for the dissolution, liquidation, or winding up of Buyer;
- vi) Buyer becomes insolvent or is adjudged bankrupt or makes an assignment for the benefit of its creditors or does not pay or is in Seller's reasonable opinion expected to be unable or unwilling to pay its debts as the same become due;
- vii) A receiver is appointed for the whole or significant part of the assets or undertaking of Buyer;
- viii) Buyer ceases or threatens to cease to carry on its business or a major part thereof or a distress, execution or other process is levied or enforced or sued upon or against any significant part of the property of Buyer and is not discharged until [90] days;
- ix) If Buyer is adjudged bankrupt or enters into an agreement with its creditors or takes advantage of any law for the benefit of debtors; or
- x) Buyer has passed a resolution to apply to a competent court for liquidation.

- xi) Any reduction in availability of SELLER's gas deliverable hereunder, including adverse reservoir behaviour in the Producing Areas, which in the SELLER's opinion as a prudent operator was not reasonably foreseeable;
- xii) In case of delay by the Buyer in achieving the milestone(s) as per its Undertaking submitted to ONGC at the time of Bid submission, ONGC reserves the right to forfeit the entire Security Deposit submitted by the Buyer. ONGC also reserves the right to terminate the Agreement and cancel the gas allocation. Buyer would also not be entitled to participate in case tender is re-invited.
- xiii) Pursuant to Article 14.02 New and Changed Laws, Regulations and Orders or Schedule B of the Agreement, the Parties fail to agree to a new Price or terms satisfactory to both Parties

24.02 Buyer may at its sole discretion, and in addition to any other legal remedies it may have, forthwith upon giving [30] days' notice to Seller, terminate the Agreement if:

- i) A Seller event of Force Majeure continues for [90] days or more;
- ii) A petition is filed with the court having jurisdiction or an order is made or an effective resolution is passed for the dissolution, liquidation, or winding up of Seller;
- iii) Seller becomes insolvent or is adjudged bankrupt or makes an assignment for the benefit of its creditors or does not pay or is in Buyer's reasonable opinion expected to be unable or unwilling to pay its debts as the same become due;
- iv) A receiver is appointed for the whole or significant part of the assets or undertaking of Seller;
- v) Seller ceases or threatens to cease to carry on its business or a major part thereof or a distress, execution or other process is levied or enforced or sued upon or against any significant part of the property of Seller and is not discharged until [90] days;
- vi) If Seller is adjudged bankrupt or enters into an agreement with its creditors or takes advantage of any law for the benefit of debtors; or
- vii) Seller has passed a resolution to apply to a competent court for liquidation.

24.03 Subject to any other specific rights of termination contained in this Agreement, this Agreement shall continue in force for the duration stipulated in Article 2.01.

24.04 In the event of Seller suspending deliveries of Seller's Gas in any of these circumstances referred to in Article 24.01, Seller may, so long as the event continues, and in addition to any other legal remedies it may have, forthwith upon giving the appropriate notice to Buyer, terminate the Agreement.

24.05 If pursuant to the provisions of Article 24.03, Seller withholds, reduces or suspends delivery of the Seller's Gas, then Seller shall be under no obligation to make up any quantity of the Seller's Gas which would have been delivered to Buyer but for such withholding, reduction, or suspension.

24.06 Any termination of the Agreement shall be without prejudice to the rights and obligations of SELLER as accrued up to the date of termination.

24.07 Suspension:

Notwithstanding anything to the contrary express or implied elsewhere herein:

Seller (without prejudice to its other rights) may at its sole discretion either terminate the Agreement forthwith or forthwith suspend delivery under the Agreement until further notice, on notifying the other party either orally (confirming such notification in writing) or by notice in writing, if Buyer:

- i) Uses gas for activities which are anti-national or anti-social activity or against public interest.
- ii) Any reduction in availability of SELLER's Gas deliverable hereunder, including adverse reservoir behaviour in the Producing Areas, which in the SELLER's opinion as a prudent operator was not reasonably foreseeable;

ARTICLE 25

CONFIDENTIALITY

25.01 Subject to the further provisions of this Article 25, each Party shall maintain confidentiality in accordance with the standards of care and diligence that it utilizes in maintaining its own confidential information with regards to the terms of this Agreement and any information supplied or obtained by a Party pursuant to the terms hereof ("Confidential Information").

25.02 Notwithstanding Article 25.01, either Party may disclose information that would otherwise be Confidential Information if and to the extent:

- i. Required by law;
- ii. Required by any securities exchange or regulatory or governmental body or government department to which such Party is subject or submits, wherever situated, whether or not such requirement for information has the force of law;
- iii. Disclosed to the professional advisers, auditors, bankers of a Party provided that such Party procures that such persons protect such Confidential Information on the same terms as and agrees to be bound by as if it were a Party to this Article;
- iv. The Confidential Information is already in the public domain through no fault of that Party;
- v. The other Party has given prior written approval to the disclosure;
- vi. It is disclosed to any potential assignees or transferees of such Party provided that such Party procures an undertaking in writing that the potential assignee or transferees protects such Confidential Information on the same terms and agrees to be bound by as if it were a party to this Agreement. Both the BUYER and the SELLER shall maintain confidentiality unless required under law to disclose.

ARTICLE 26

NO AGENCY

26.01 Neither Party shall, and each shall procure that its directors, officers and employees in that capacity, shall not, represent itself or otherwise hold itself out as an agent or other representative of the other Party or otherwise hold itself out as having any authority to bind the other of them unless such person is validly authorized to do so.

ARTICLE 27

EFFECT OF ILLEGALITY, ETC.

- 27.01 The invalidity, illegality or unenforceability of any of the terms of this Agreement in any respect for whatever reason under the law of any jurisdiction, shall not affect or impair the validity, legality or enforceability in that jurisdiction of any other provision of this Agreement, or under the law of any other jurisdiction of that or any other provision of this Agreement. The Parties shall make all reasonable endeavours to agree as far as possible that invalid terms shall be amended or replaced by valid terms with a similar effect in order to maintain the purpose and continuity of this Agreement and till the amendments are carried out, such invalid terms will be inoperative in relation to the rights and obligations of the Parties under this Agreement.

ARTICLE 28

GOOD FAITH

- 28.01 Each of the Parties shall, and shall use all reasonable endeavours to procure that any necessary third party shall, at its own cost, so execute or perform all such further deeds, documents, assurances, acts and things as may reasonably be required to perfect the transaction referred to herein, and to give effect to the terms of this Agreement.

ARTICLE 29

WAIVER

- 29.01 No delay or omission on the part of either Party in exercising any right, power or remedy provided by law or under this Agreement, nor any indulgence granted by any Party to any other Party, shall impair such right, power or remedy, or be constructed as a waiver thereof, nor shall the single or partial exercise of any right, power or remedy provided by law or under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or remedy.
- 29.02 Any waiver shall relate only to the matter, non-compliance or breach as it expressly relates to and shall not apply to any subsequent or other matter, non-compliance or breach.

ARTICLE 30

CUMULATIVE REMEDIES

- 30.01 Except as expressly provided herein, the rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

ARTICLE 31

ENTIRE AGREEMENT

- 31.01 Each of the Parties hereby acknowledges that, in entering into this Agreement it has not relied on any representation or warranty save as set out expressly herein or in any document referred to herein.

ARTICLE 32

NO PARTNERSHIP

- 32.01 Nothing in this Agreement shall constitute or be deemed to constitute the relationship of principal and agent or of a partnership between the Parties and neither of them shall have any opportunity to bind the other in that capacity.

ARTICLE 33

PRIVITY

- 33.01 This Agreement is intended solely for the benefit of the Parties and is not intended to confer any benefits on, or create any rights in favour of any other person.

ARTICLE 34

APPROVALS

- 34.01 Each Party shall be responsible for obtaining all consents, authorizations, approvals and assurances of whatsoever nature necessary to enable it to comply with its obligations under the Agreement.

ARTICLE 35

CONSEQUENTIAL LOSS, LIMITATION OF LIABILITY

- 35.01 Except as expressly provided for in this Agreement, neither BUYER nor SELLER shall be liable for consequential, indirect or special losses/damages or for loss of control, profit or product of any kind arising out of or in any way connected with the conclusion, the performance or non-performance of this Agreement, and whether arising in contract, tort including negligence or breach of duty, statutory, or otherwise.

ARTICLE 36

REPRESENTATIONS

- 36.01 Without prejudice to any liability for any fraudulent misrepresentation, each of the Parties hereby acknowledge to the other Party that it has not entered into this Agreement in reliance upon any representations made by such other Party (other than any made fraudulently) and accordingly, neither Party shall have any remedy against the other Party in relation to misrepresentation **(other than any made fraudulently)**.

ARTICLE 37

NOTICES

- 37.01 Any notice or other communication required to be given pursuant to this Agreement shall be given by delivering the same by hand at, or by sending the same by registered/speed post (air mail if to an address outside the country of posting) to the address of the relevant Party set out in this Agreement or by fax, e-mail using the relevant number set out below or such other address as either Party may notify to the other from time to time. Any notice or other communication given as aforesaid shall be deemed to have been given at the time of delivery (if delivered by hand) or on transmission of the recipient's automatic answerback (if sent by fax) or when received (if sent by post):

For Seller: As set forth in the Schedule A as Seller's Address; and

For Buyer: As set forth in the Schedule A as Buyer's Address.

ARTICLE 38

ADDRESSES OF PARTIES.

38.01 The address of the parties hereto unless changed by written notification to be given at least 15 days in advance by Registered letter prior to proposed date of change, will be as follows for the operation of the Agreement:

<u>THE SELLER</u>	<u>THE BUYER</u>
Asset Manager, OIL AND NATURAL GAS CORPORATION LIMITED, _____ Asset, _____, _____ (India). Phone No.: _____ Fax. Number: _____ e-mail: _____	_____ _____ _____ _____ Pin:- _____ (India). Phone Number: (STD Code)- (-----) Fax. Number: (STD Code) - (-----) e-mail: _____

IN WITNESS WHEREOF the parties hereto acting through their properly constituted representatives have set their hands to cause this Agreement signed and executed for and on their behalf.

FOR & ON BEHALF OF THE SELLER	FOR & ON BEHALF OF THE BUYER
_____ Asset Manager, _____ Asset	_____
<u>Witnesses</u> 1. _____ 2. _____	<u>Witnesses</u> 1. _____ 2. _____

Attached as Schedule A of the Gas Supply Agreement dated ----- between Oil and Natural Gas Corporation and _____

_____ Region

Production Field (s)/Area (s): [Name of field to be inserted]
 Scheduled Delivery Commencement Date: [.....]
 Expiry Date: [.....] ___ years from Scheduled Delivery
 Commencement Date or Delivery Commencement Date whichever is earlier.

Location	Delivery Point (Abbreviated name of Meter)	Metering Measurement System	Frequency of Measurement	Tolerance in Quantity Measurement	Frequency of Calibration	Frequency of Quality Testing	Typical Delivery Pressure, Kg/Cm ² g
Name of Installation to be inserted (Work Centre to Insert)	_____ (Work Centre to insert)	Orifice	Daily	As per AGA 3 & 8 standards	Monthly	Fortnightly	As per NIT

Delivery Pressure: - As indicated in the tender document ex- ONGC installation.

Gas quality: - To be analyzed at Seller's Laboratory, which buyer can have access.

Seller's Address: Asset Manager,

OIL AND NATURAL GAS CORPORATION LIMITED,
 _____ Asset, _____, _____.

Phone No.: (_____)

Fax Number: (_____)

e-mail:

Buyer' Address: [.....]

Contact: [.....]

Phone number: [.....]

Fax number: [.....]

e-mail:

Attached as Schedule B of the Gas Supply Agreement dated _____ between Oil and Natural Gas Corporation and _____

Price:

- (a) The contract price of gas shall be in US\$ MMBTU as under:
 - i. Prevailing domestic gas price on GCV basis as fixed by Govt. of India from time to time, plus
 - ii. Premium of USD ___/MMBTU.
 - iii. As per MoP&NG gazette notification No. L-12015/1/2022-GP-II (E-44157) dated 07.04.23, Gas produced from New Wells or Well Interventions would be allowed a premium of 20% on APM prices as notified by Gol from time to time. Hence, this gas from new well or well intervention, as allocated by MoP&NG/ONGC will be supplied at premium price as per the said Notification. This premium will be in addition to the premium, if any, already agreed by the Buyer
- (b) Provided further that the marketing margin of ₹ 200/MSCM would be charged in addition to the gas price indicated above. The marketing margin would be linked to calorific value of 10,000 Kcal/SCM on Net Calorific Value (NCV) basis. The rate of marketing margin is subject to revision from time to time and Buyer agrees to pay the same at the revised rate.
- (c) Provided further that the gas price indicated above shall be exclusive of Transportation/Compression charges along with statutory levies, if applicable and these shall be additionally borne by the BUYER.
- (d) The above gas price is ex-ONGC installation and is exclusive of Taxes, Duties, service tax, GST, education cess, sales tax/VAT, Octroi, and all other statutory levies as applicable at present or to be levied in future by the Central or State Government or Municipality or any other local body or bodies payable on sale of GAS by Seller to the BUYER and these shall be borne by the BUYER over and above the aforesaid GAS price.
- (e) A factor of 1 MSCM = 39.68254 MMBTU will be used for invoicing purpose linked with Gross Calorific Value (GCV) of 10,000 Kcal/SCM. The Seller shall further determine the quantity (in MMBTU) of gas delivered at the Delivery Point based on the actual gross calorific value of Seller's Gas delivered during the Billing Period by multiplying with a factor of actual GCV and dividing by 10000.
- (f) The above price would be converted to ₹./MMBTU on monthly basis at the RBI reference exchange rate of the month, previous to the month during which supply of gas is made. Price in ₹./ MMBTU shall be rounded off to two decimal places. The RBI reference exchange rate of the month would be calculated by taking the average of the RBI reference exchange rates for all the days in the relevant period/ month for which the rate is available on the FBIL website. The monthly average RBI exchange rate so calculated shall be rounded off to two decimal places. The rates can be downloaded from FBIL website: <http://www.fbil.org.in>.
- (g) In the event of deregulation in the gas sector by the Government of India or its instrumentalities, or if public authorities discontinue fixing the Price of natural gas sold hereunder and/or cease making Gas allocation then the Gas price & the Marketing Margin would be linked to the market price on a mutually agreed formula. The Seller shall notify the Buyer of any such event. If the Parties do not agree upon new Price or terms satisfactory to both Parties within [60] days after the date of the Seller's notice, the Seller shall have the right to suspend the Agreement immediately at the end of such [60] day period. Any Gas delivered during such 60 days period shall be sold and

purchased at the existing Price and on the terms applying under the Agreement without any adjustment in respect of the new or changed Laws, Regulations and Orders.

Attached as Schedule C to the Gas Supply Agreement dated _____ between Oil and Natural Gas Corporation Limited and _____.

Specifications - Gas quality:

Typical Gas Composition*	Volume (%)
1. Combustible Hydrocarbon gases:	[90%] minimum
2. Non-combustible gases other than HC:	[5%] maximum
3. Gross Calorific Value (GCV):	Not less than _____Kcal/SCM
4. Net Calorific Value (NCV):	Not less than _____Kcal/SCM

(*) the composition is indicative and will vary from field to field and would be indicated in the tender applicable for a particular field by the concerned Asset/Basin at the time of tendering.

Attached as Schedule D to the Gas Supply Agreement dated _____ between Oil and
Natural Gas Corporation Limited and _____

Profile of gas availability for Sale
<To be inserted based on field by work centre>

Period	Gas Quantity, SCMD

To: [SELLER/ BENEFICIARY]
[ADDRESS]

IRREVOCABLE STANDBY LETTER OF CREDIT. NO.: _____

Name of Beneficiary: ONGC, <Details of ONGC Asset to be mentioned >

Name of Applicant: <Buyer Details to be mentioned>

Amount of Letter of Credit: ₹_____. **Expiry Date:** _____.

At the request of the _____ <Name and Address> (“**Applicant**”), we, _____, <Name and Address> (“**Issuing Bank**”) hereby establish unconditional irrevocable standby Letter of Credit no. _____ Dt. _____ in favour of Oil and Natural Gas Corporation Ltd., <Details of ONGC Asset> (the “**Beneficiary**”) for Rs. _____ (the “**Face Value**”) as per following terms and conditions:-

1. This is an unconditional STANDBY IRREVOCABLE and without recourse Letter of Credit, valid up to _____ for submission of documents for negotiation and payment to the bank.
2. The face value of this Letter of Credit shall be equal to Rs _____ (Rupees _____) (Equivalent to 60 days of natural gas supply).
3. This Letter of Credit is issued under _____ [Details of Tender/NOA/Contract/Agreement to be mentioned] dated _____ to cover payment for supply of natural gas by ONGC (Beneficiary) to the Buyer as per AGREEMENT executed between Buyer and Beneficiary and also interest on delayed payment including payment for Monthly Minimum Guaranteed off-take (MMGO) quantity. This Letter of Credit will be valid for any of the documents such as Invoices/Provisional invoices/Debit notes/Statement of claim/ Demand letter etc. raised under the aforesaid contracts/agreement, as well as supplementary agreements, Side Letters, Term Sheet, amendments etc. and other addenda thereof.
4. Notwithstanding the above provision, it is further provided that if gas Buyer continues to draw gas supplies from ONGC beyond validity period of the existing Agreement (without written extension prior to expiry of the Agreement validity for any reason whatsoever) payments due for such gas supplies and such period (including MMGO charges) shall be fully covered by this letter of credit within the validity of the letter of credit.
5. All bank charges including opening, negotiation, handling, amendment, renewal, interest charges, and any other charges related to this Letter of Credit will be borne by the Applicant. However, charges of the advising bank shall be borne by the Beneficiary.
6. Payment against the Letter of Credit shall be released immediately without demur on presentation of a copy of any of the documents such as duly signed Invoices/Provisional invoices/ Debit notes/ Statement of claim/ Demand Letter etc. by ONGC.
7. Draft / Hundi (format enclosed) drawn under the Letter of Credit (L/C) would mark the L/C Number _____ dated _____.
8. If the payment to ONGC/ONGC banker is not made at sight of documents, interest @ _____ (rate as applicable on delayed payment under the relevant GSA) per annum compounded quarterly for each day payments are overdue until paid, shall be charged.
9. This Letter of Credit (L/C) shall also cover requests against partial payment and/or multiple drawings.

10. This unconditional Standby Irrevocable Letter of Credit is available for negotiation directly with the issuing Bank/Branch or through ONGC's bankers without recourse to the Applicant.
11. The validity of Letter of Credit will be up to _____. The Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, if at least one month (30 days) prior to the expiry of this Letter of Credit, Applicant fails to renew/ extend such Letter of Credit or replace it with another Letter of Credit as acceptable to the Beneficiary then, the issuing banker shall make full payment of the Letter of Credit face value upon receipt of Beneficiary letter/certificate that Applicant has failed to replace or renew the Letter of Credit.
12. The Issuing Bank undertakes not to amend any of the terms and conditions of this letter of credit (L/C) without prior consent of Beneficiary during the validity of this Letter of Credit.
13. The issuing Bank certifies that the officer(s) signing this Letter of Credit is (are) authorized for this purpose and shall remain binding upon the issuing bank.
14. The Issuing Bank shall forward and submit this Letter of Credit to the Advising Bank for advising of this Letter of Credit to Beneficiary.

Yours faithfully

(Sign of authorized Officer of Bank)

Appendix A
Testing and Measurement Standards

Sampling	MPMS-14 of API
Composition	ISO 6974 and ISO 6975
H ₂ S	ASTM D 4084-94 and ASTM-D 4810
Specific Gravity and Calorific Value:	ISO 6976

Measurement System

Orifice Meter	AGA-3 along with AGA8/MPMS of API
Turbine Meter	AGA-7 along with AGA 8
Ultrasonic Meter	AGA-9

PROFORMA OF INTEGRITY PACT, AS REVISED VIDE CIRCULAR NO.44/2016

(To be executed on plain paper and applicable for all tenders of value above Rs.1 crore)

INTEGRITY PACT

Between

Oil and Natural Gas Corporation Ltd (ONGC) hereinafter referred to as “The Principal”,

and

..... hereinafter referred to as “The Bidder/ Contractor”

Preamble

The Principal intends to award, under laid down organizational procedures, contract/s for -----
----- . The Principal values full compliance with all relevant laws and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with its Bidder/s and Contractor/s.

In order to achieve these goals, the Principal cooperates with the renowned international Non-Governmental Organisation “Transparency International” (TI). Following TI’s national and international experience, the Principal will appoint an external independent Monitor who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1

Commitments of the Principal

(1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-

1.No employee of the Principal, personally or through family members, will in connection with the tender for , or the execution of a contract, demand, take a promise for or accept, for him/herself or third person, any material or immaterial benefit which he/she is not legally entitled to.

2.The Principal will, during the tender process treat all Bidders with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidders the same information and will not provide to any Bidder confidential / additional information through which the Bidder could obtain an advantage in relation to the tender process or the contract execution.

3.The Principal will exclude from the process all known prejudiced persons.

(2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-Corruption Laws of India, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

Section 2

Commitments of the Bidder/ contractor

(1) The Bidder / Contractor commits itself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

1. The Bidder / Contractor will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or immaterial benefit which he/she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

2. The Bidder / Contractor will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelisation in the bidding process.

3. The Bidder / Contractor will not commit any offence under the relevant Anti-corruption Laws of India; further the Bidder / Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

4. The Bidder / Contractor will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.

(2) The Bidder / Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3

Disqualification from tender process and exclusion from future contracts

If the Bidder, before contract award has committed a transgression through a violation of Section 2 or in any other form such as to put his reliability or credibility as Bidder into question, the Principal is entitled to disqualify the Bidder from the tender process or to terminate the contract, if already signed, for such reason.

i) If the Bidder / Contractor has committed a transgression through a violation of Section 2 such as to put his reliability or credibility into question, the Principal is entitled also to exclude the Bidder / Contractor from future contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder and the amount of the damage. The exclusion will be imposed for a minimum of 6 months and maximum of 3 years.

ii) A transgression is considered to have occurred, if the Principal after due consideration of the available evidence, concludes that no reasonable doubt is possible.

iii) The Bidder accepts and undertakes to respect and uphold the Principal's absolute right to resort to and impose such exclusion and further accepts and undertakes not to challenge or question such exclusion on any ground, including the lack of any hearing before the decision to resort to such exclusion is taken. This undertaking is given freely and after obtaining independent legal advice.

iv) If the Bidder / Contractor can prove that he has restored / recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion prematurely.

Section 4
Compensation for Damages

- (1) If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover from the Bidder liquidated damages equivalent to Earnest Money Deposit / Bid Security.
- (2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the principal shall be entitled to demand and recover from the Contractor liquidated damages equivalent to Security Deposit / Performance Bank Guarantee.
- (3) The Bidder agrees and undertakes to pay the said amounts without protest or demur subject only to condition that if the Bidder / Contractor can prove and establish that the exclusion of the Bidder from the tender process or the termination of the contract after the contract award has caused no damage or less damage than the amount of the liquidated damages, the Bidder / Contractor shall compensate the Principal only to the extent of the damage in the amount proved.

Section 5
Previous transgression

- (1) The Bidder declares that no previous transgressions occurred in the last 3 years with any other Company in any country conforming to the TI approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.
- (2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

Section 6
Equal treatment of all Bidders / Contractors / Subcontractors

- (1) The Principal will enter into Pacts on identical terms with all Bidders and contractors.
- (2) The Bidders(s) / Contractor(s) undertake(s) to procure from all the subcontractors a commitment in conformity with this Integrity Pact. The Bidder/Contractor shall be responsible for any violation(s) of the provisions laid down in this agreement/Pact by any of its sub-contractors / sub-vendors.
- (3) The Principal will disqualify from the tender process all Bidders who do not sign this Pact or violate its provisions.

Section 7
Criminal charges against violating Bidders/Contractors/Subcontractors

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

Section 8
External Independent Monitor / Monitors (three in number depending on the size of the contract)
(to be decided by the Chairperson of the Principal)

- (1) The Principal appoints competent and credible external independent Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.

(2) The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the Chairperson of the Board of the Principal.

(3) The Contractor accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his project documentation. The same is applicable to Subcontractors. The Monitor is under contractual obligation to treat the information and documents of the Bidder / Contractor / Subcontractor with confidentiality.

(4) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.

(5) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or heal the violation, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action. However, the Independent External Monitor shall give an opportunity to the Bidder / contractor to present its case before making its recommendations to the Principal.

(6) The Monitor will submit a written report to the Chairperson of the Board of the Principal within 8 to 10 weeks from the date of reference or intimation to him by the 'Principal' and, should the occasion arise, submit proposals for correcting problematic situations.

(7) Monitor shall be entitled to compensation on the same terms as being extended to / provided to Outside Expert Committee members / Chairman as prevailing with Principal.

(8) If the Monitor has reported to the Chairperson of the Board a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Chairperson has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.

(9) The word 'Monitor' would include both singular and plural.

Section 9 Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the respective contract, and for all other Bidders 6 months after the contract has been awarded.

If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged / determined by Chairperson of the Principal.

Section 10 Other provisions

(1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. New Delhi. The Arbitration clause provided in the main tender document / contract shall not be applicable for any issue / dispute arising under Integrity Pact.

(2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.

(3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.

(4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

For the Principal

For the Bidder / Contractor

Place -----

Witness 1 : -----.

Date -----

Witness 2 : -----