



PMC Cell – MM

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**Circular No. 02/2017-cum-BL Amendment No. BL/03/38**

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Dated: 27.01.2017

**Sub: Modification in Force Majeure clause existing in standard condition for service contracts, rigs & LSTK tender.**

EPC in its meeting (01/2017) held on 04.01.2017, reviewed the provisions of Force Majeure clause existing in standard condition for service contracts, rigs & LSTK tenders ,

As per the directive of EPC, provisions of Force Majeure clause stand modified in the standard contract conditions for procurement of services (including charter hire of rigs) as per Annexure-1. Similar modifications may be carried out in the tender/contract conditions for LSTK contracts.

Above guidelines should be meticulously followed by all concerned.

*Ashwini Nagia* 27/1/17

(Ashwini Nagia)  
ED-Chief MM Services

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## Statement showing existing vis-à-vis modified provisions of model contract conditions for Service Contracts.

Clause No.	Existing Provisions	Modified Provisions
23 of Annexure-II of Service Contracts	<p><b>23. FORCE MAJEURE:</b></p> <p>In the event of either party being rendered unable by Force Majeure to perform any obligation required to be performed by them under the CONTRACT, the relative obligation of the party affected by such Force Majeure shall be suspended for the period during which such cause lasts.</p> <p>The term "Force Majeure" as employed herein shall mean acts of God, War, Civil Riots, Fire directly affecting the performance of the CONTRACT, Flood and Acts and Regulations of respective government of the two parties, namely ONGC and the CONTRACTOR.</p> <p>Upon the occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing, the beginning of the cause amounting to Force Majeure as also the ending of the said clause by giving notice to the other party within 72 hours of the ending of the cause respectively. If deliveries are suspended by Force Majeure conditions lasting for more than 2 (two) months, <u>ONGC shall</u> have the option of canceling this CONTRACT in whole or part at his discretion without any liability at his part.</p> <p>Time for performance of the relative obligation suspended by Force Majeure shall then stand extended by the period for which such cause lasts.</p>	<p><b>FORCE MAJEURE</b></p> <p>In the event of either party being rendered unable by Force Majeure to perform any obligation required to be performed by them under this Agreement, the relative obligation of the party affected by such Force Majeure shall, upon notification to the other party be suspended for the period during which such cause lasts.</p> <p>The term "Force Majeure" as employed herein shall mean Act of God, floods, tempest, war, civil riot, fire and Acts, Rules and Regulations of respective government of the two parties namely ONGC and the Contractor, <u>directly effecting the performance of the Contract.</u></p> <p>Upon the occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing within seventy-two hours of the alleged beginning and ending thereof, giving full particulars and satisfactory evidence in support of its claim.</p> <p>Time for performance of the relative obligation suspended by the Force Majeure, shall then stand extended by the period for which such cause lasts.</p> <p>If performance under the contract are suspended by Force Majeure conditions lasting for more than 2 (two) months, <u>ONGC shall have the right to terminate this Agreement by</u></p>

		giving 15 days' notice.
18.2 of Annexure-II of Service Contracts	Either party shall have the right to terminate this CONTRACT on account of Force Majeure, as set forth in clause _____	ONGC shall have the right to terminate this CONTRACT on account of Force Majeure, as set forth in clause _____

Statement showing existing vis-à-vis modified provisions of model contract conditions for Charter Hire of rigs.

Clause No.	Existing Provisions	Modified Provisions
<p>Clause 21 of BL/03</p>	<p><b>23. FORCE MAJEURE:</b></p> <p>In the event of either party being rendered unable by Force Majeure to perform any obligation required to be performed by them under this Agreement, the relative obligation of the party affected by such Force Majeure shall, upon notification to the other party be suspended for the period during which such cause lasts.</p> <p>The term "Force Majeure" as employed herein shall mean Act of God, floods, tempest, war, civil riot, fire and Acts, Rules and Regulations of respective government of the two parties namely Operator and the Contractor, directly effecting the performance of the Contract.</p> <p>Upon the occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing within seventy-two hours of the alleged beginning and ending thereof, giving full particulars and satisfactory evidence in support of its claim.</p> <p>Time for performance of the relative obligation suspended by the Force Majeure, shall then stand extended by the period for which such cause lasts.</p> <p>Such Force Majeure situations shall be paid at 2/3rd of Non-operating rate for a period of first fifteen days, and if such Force Majeure lasts for a further period, then for a further period of 15 days Contractor shall be paid at 1/3rd of the Non-operating rate in excess of first 15 days after which zero rate shall be payable to the Contractor and either party shall have the right to terminate this Agreement by giving 15 days notice unless otherwise mutually agreed.</p>	<p><b>FORCE MAJEURE</b></p> <p>In the event of either party being rendered unable by Force Majeure to perform any obligation required to be performed by them under this Agreement, the relative obligation of the party affected by such Force Majeure shall, upon notification to the other party be suspended for the period during which such cause lasts.</p> <p>The term "Force Majeure" as employed herein shall mean Act of God, floods, tempest, war, civil riot, fire and Acts, Rules and Regulations of respective government of the two parties namely ONGC and the Contractor, directly effecting the performance of the Contract.</p> <p>Upon the occurrence of such cause and upon its termination, the party alleging that it has been rendered unable as aforesaid thereby, shall notify the other party in writing within seventy-two hours of the alleged beginning and ending thereof, giving full particulars and satisfactory evidence in support of its claim.</p> <p>Time for performance of the relative obligation suspended by the Force Majeure, shall then stand extended by the period for which such cause lasts.</p> <p>Such Force Majeure situations shall be paid at 2/3rd of Non-operating rate for a period of first fifteen days, and if such Force Majeure lasts for a further period, then for a further period of 15 days Contractor shall be paid at 1/3rd of the Non-operating rate in excess of first 15 days after which zero rate shall be payable to the Contractor and <u>ONGC shall</u> have the right to terminate this Agreement by giving 15 days notice unless otherwise mutually agreed.</p>