

**LOK SABHA  
UNSTARRED QUESTION NO. 3602  
TO BE ANSWERED ON 8<sup>th</sup> August, 2016**

**ONGC Owes Payments to HAL**

**3602. SHRI E. AHAMED:**

पेट्रोलियम व प्राकृतिक गैस मंत्री

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) whether the ONGC owes some payments to HAL offshore and if so, the details thereof;
- (b) the steps taken/being taken by the Government/ONGC for expeditious payments of the said dues; and
- (c) the time by which all the payments are likely to be made?

**ANSWER**

पेट्रोलियम और प्राकृतिक गैस मंत्रालय में राज्य मंत्री (स्वतन्त्र प्रभार) (श्री धर्मेन्द्र प्रधान)

**MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS  
(SHRI DHARAMENDRA PRADHAN)**

**(a).** On account of the poor performance of the HAL Offshore which was awarded Operation & Maintenance of ONGC owned 14 Sindhu Vessels for a period of 3 years, the Performance Bank Guarantees (PBG) of the company for 5 vessels amounting to Rs 1.74 Cr were invoked by ONGC on 15<sup>th</sup> September 2010. PBGs of remaining 9 vessels amounting to Rs 3.13 Cr and Safe Custody Guarantees of all 14 vessels amounting to Rs 14 Cr are kept with ONGC to effect recoveries of costs of fuel and water consumed by the vessels during NCDT (Non Compensable Downtime) period and the amount against missing items as recorded at redelivery of vessels by M/s HAL Offshore. All the amounts, due to the operator M/s HAL Offshore as per contract provisions have already been paid. However, HAL Offshore has raised a dispute on the payment they perceive to be due from ONGC and also on the amount they owe to ONGC which is being addressed through an arbitration proceeding.

**(b) & (c).** The disputes regarding payment as claimed by M/s HAL Offshore Limited, are being addressed through dispute resolution mechanism as per contract provisions i.e. Arbitration. The Arbitration proceedings commenced on 3.3.2016. As per the provision in the contract the Arbitral Tribunal is to publish the award within 12 months for the cases above Rs 5 Cr. M/s HAL Offshore on 1<sup>st</sup> August 2016 has sought further extension of 4 weeks w.e.f. from 1<sup>st</sup> August 2016 for filing of their reply / rejoinder which was originally due for submission on 9<sup>th</sup> July 2016.

The likely time by which the finalization / settlement of case shall thus depends on the commitment of the Claimant in adhering to the timeline(s) specified by the Arbitration Tribunal.

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