

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2483
ANSWERED ON:08.12.2005
RECOVERY OF TRANSPORTATION CHARGES
Pathak Shri Brajesh

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

- (a) whether the GAIL (India) Limited and Essar company had signed any agreement in 1996 for purchasing the gas under which the Essar company had to pay charges on the transportation of gas through the HBJ pipeline;
- (b) if so, the details thereof and the amount outstanding against the Essar company on account of the transportation charges;
- (c) whether the GAIL has recovered the outstanding amount from the said company;
- (d) if not, the reasons therefor; and
- (e) the steps taken by GAIL to recover the outstanding amount from the said company?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): Essar Steel had entered into an agreement in July, 1996 with GAIL to make payment of HBJ transportation charges for quantities of gas supplies on fall back basis over and above their firm allocated quantity. Subsequently, Essar disputed the payment of the said HBJ transportation charges. The outstanding amount payable by Essar company, as assessed by GAIL, is about Rs.260 crores (inclusive of interest) as on 31.10.2005.

(c) to (e): No, Sir. As reported by GAIL, Essar had earlier deposited about Rs.81 crores with GAIL under the directions of the Hon`ble Supreme Court and Gujarat High Court. In a recent judgment, the Gujarat High Court has inter alia ordered that Essar is not liable for paying transportation charges to GAIL. GAIL has filed a leave petition appeal (LPA) against this judgment and the matter is pending before the Gujarat High Court.