GAHC010064842026

2026:GAU-AS:4823

THE GAUHATI HIGH COURT

(HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

Case No. : WP(C)/1840/2026

M/S NORSEMAN OILFIELD TECHNOLOGIES FZ-LLC AND ANR
REGISTERED UNDER THE LAWS OF UAE, REPRESENTED BY ITS AUTHORIZED SIGNATORY MR. KJELL INGE SOLA ON OF ASMUND SOLA, AGED ABOUT 66 YEARS, RESIDENT OF 612 MAGNOLIA LANE, GREEN COMMUNITY EAST, DUBAI INVESTMENT PARK 1, DUBAI, UAE.

2: M/S NORSEMAN OILFIELD TECHNOLOGIES (ASSAM) PVT LTD

HAVING ITS REGISTERED OFFICE AT REGISTERED OFFICE AT 3RD FLOOR
UNIQUE AVENUE
GS ROAD
GUWAHATI
SON OF ASMUND SOLA
AGED ABOUT 66 YEARS
RESIDENT OF 612 MAGNOLIA LANE
GREEN COMMUNITY EAST DUBAI
UAE

VERSUS

M/S OIL INDIA LIMITED AND 5 ORS.
A GOVERNMENT OF INDIA ENTERPRISE, REPRESENTED BY THE CHAIRMAN AND MANAGING DIRECTOR OIL INDIA LIMITED, DULIAJAN, DIBRUGARH, ASSAM - 786602

2:THE CHIEF GENERAL MANAGER
CONTRACTS DEPARTMENT
OIL INDIA LIMITED
DULIAJAN
ASSAM - 786602.

3:THE SENIOR OFFICER CONTRACTS (GLOBAL)

FOR CHIEF GENERAL MANAGERCONTRACTS

CONTRACTS DEPARTMENT
OIL INDIA LIMITED
DULIAJAN
DIBRUGARH
ASSAM 786602.

4:THE DIRECTOR (OPERATIONS)

OIL INDIA LIMITED CORPORATE OFFICE
SECTOR -16A
NOIDA
UTTAR PRADESH - 201301

5:THE EXECUTIVE DIRECTOR C AND P

OFFICIATING
OIL INDIA LIMITED
DULIAJAN
DIBRUGARH
ASSAM - 786602.

6:RESERVE BANK OF INDIA
REPRESENTED BY THE CHIEF GENERAL MANAGER- IN- CHARGE
HAVING ITS HEAD OFFICE AT FOREIGN EXCHANGE DEPARTMENT
CENTRAL OFFICE
11TH FLOOR
CENTRAL OFFICE BUILDING
SHAHID BHAGAT SINGH MARG FORT
MUMBAI 400001
INDI

Advocate for the Petitioner : MR. D DAS SR. ADV, MR. I DAS,MS M KAKOTY,R SARMAH

Advocate for the Respondent : SC, OIL,

BEFORE
HONOURABLE MR. JUSTICE MANISH CHOUDHURY

ORDER

Date : 31-03-2026

Heard Mr. D. Das, learned Senior Counsel assisted by Mr. R. Sharma, learned counsel for the petitioners and Mr. A. Sharma, learned Standing

Counsel, Oil India Ltd. for the respondent nos. 1 – 5.

2. Having regard to the nature of issues canvassed in this writ petition, the writ petition is taken up for final consideration at the motion stage itself, at the instance of the learned counsel for the parties. In such view of the matter, and in view of the order to be passed after consideration of the submissions made by the learned counsel for the parties, notice to the profoma respondent no. 6 is found not necessary.

3. The respondent Oil India Ltd. by an Invitation for Bid [IFB] no. CDG4364P24 invited International Competitive Bids [ICBs] from competent and experienced Contractors through OIL's e-procurement site for 'Charger Hire of 0.1 no. of Hydraulic Workover Unit [Snubbing] is Assam & Arunachal Pradesh' ['the Contract-Work', for short]. The type of bid was online Open Global e-Tender : Single Stage-Two Bid System. As per the Tender Document, the bid amount was INR 1.47 crores or USD 177,000.00 and the amount of performance security deposit was 10% of annualized total contract value.

4. The petitioners have stated that the petitioner no. 1 is a company incorporated under the laws of United Arab Emirates and it has gained huge experience in the field of oil and gas exploration. The petitioner no. 2 is a wholly owned subsidiary of the petitioner no. 1 company and it has its registered office at Guwahati, Assam, India.

5. In response to the IFB no. CDG4364P24, the parent company along with the subsidiary company participated in the tender process with the experience of the petitioner no. 1 company for qualification in terms of the eligibility criteria laid down in the Tender Document. In the tender process, the bid of the

petitioner no. 2 company on the basis of the experience of the petitioner no. 1 company was found responsive.

6. By a Letter of Award [LoA] dated 04.09.2024, the respondent OIL awarded the Contract-Work for Charter Hire of 01 [one] no. of Hydraulic Workover Unit [Snubbing] i.e. brand new unit Model – 460K HWU at a total estimated contract cost of INR 302,27,99,540.88, inclusive of GST@12%, as per the cost details tabulated in the LoA. One of the conditions laid down in the LoA was that the petitioners as the LoA holder were to submit performance security for an amount of INR 9.00 crores in the form of Bank Guarantee in the prescribed format within 19.09.2024 with validity up to 31.10.2028. As the petitioner no. 2 company had qualified on the basis of the experience of the petitioner no. 1 company, the petitioners were also required to furnish an additional performance security of INR 4.50 crores [being 50% of the value of performance security required to be submitted] as per the prescribed proforma provided in the Tender Document within the same time period with the same validity.

7. It is the case of the petitioners that though the petitioners were able to furnish the additional performance security of INR 4.50 crores to the satisfaction of the respondent OIL authorities. The petitioners could not, however, deposit the performance security for the amount of INR 9.00 Crores, despite their best efforts in transferring the foreign exchange for the said amount due to restrictions imposed by the Reserve Bank of India. In order to obviate the difficulties faced in submission of the performance security for the amount of INR 9.00 crores, the petitioners also made alternative propositions. But, the respondent OIL authorities had insisted for the performance security strictly in

terms of the Letter of Award [LoA] dated 04.09.2024, as conveyed by a Letter dated 29.03.2025 wherein a deadline up to 10.03.2025 was given for depositing the performance security amount of INR 9.00 crores or else, the contract would be terminated without further communication. It was further conveyed to the petitioners that it was recorded in a meeting of the respondent OIL that in case of failure to meet the timeline, the performance security amount of INR 4.50 crores would be forfeited and actions would be initiated as per the provisions of the tender. The Letter dated 29.03.2025 was followed by an Order of Termination dated 07.05.2025 whereby the petitioners were conveyed the decision of the respondent OIL to terminate the contract with immediate effect. The respondent OIL had reserved the rights therein to take further actions against the petitioners including forfeiture of the performance security amount of INR 4.50 crores.

8. After submission of a Representation dated 09.07.2025, a Show-Cause Notice-cum-Letter of Suspension for default came to be served upon the petitioners on 10.07.2025 to which the petitioners responded showing reasons as to why the actions proposed in the Show-Cause Notice were not called for. Thereafter, an Order dated 08.11.2025 has been passed whereby the petitioner no. 2 and all its allied firms including the petitioner no. 1 have been put on holiday listing of the respondent OIL thereby debarring them from participating against OIL's future tenders for a period of one year with effect from 10.07.2025. The petitioner no. 2 company has, however, been allowed to carry out the jobs for the existing contracts, if any, already awarded to do by the OIL.

9. The Order dated 08.11.2025 further provided that the petitioners can prefer an appeal against the Order dated 08.11.2025 within a period of 30 days

as per the provisions of the Banning Policy of the OIL.

10. Mr. Das, learned Senior Counsel for the petitioners has submitted that the Order dated 08.11.2025 is limited to the matter of holiday listing. The Order dated 08.11.2025 is silent on the aspect of release of the additional performance security amount of INR 4.50 crores deposited by the petitioners in terms of the Letter of Award [LoA] dated 04.09.2024. Though indications were made in various correspondences of the respondent OIL that an action would be taken with regard to the additional performance security amount of INR 4.50 crores, no formal order on the said aspect has been communicated to the petitioner till date. The petitioners have made a request to refund the additional performance security amount of INR 4.50 crores as far back as on 23.01.2025 vide its Letter of even date.

11. In response, Mr. Sharma, learned Standing Counsel, Oil India Ltd. appearing for the respondent nos. 1 – 5 has submitted that as the appeal preferred by the petitioners before the appellate authority on 03.12.2025 is yet to be disposed of, the writ petition at this stage is premature and is not to be adjudicated so as to enable the appellate authority to dispose of the appeal on its own merits.

12. On the aspect of refund or otherwise of the additional performance security amount of INR 4.50 crores, if no formal decision has been taken on it, the respondent OIL authorities would take a formal decision as regards the refund or otherwise of the additional performance security amount of INR 4.50 crores.

13. From the fact situation projected by the parties, it has emerged that the

appeal preferred by the petitioners against the Order dated 08.11.2025 on 03.12.2025 is yet to be disposed of. Though correspondences are found to be exchanged between the parties in the matter of additional security performance amount of INR 4.50 crores, there appears to be no final decision on it. Since a period of more than three months have elapsed in the meantime and the appellate authority is still in seisin of the appeal, this Court is of the considered view that the appellate authority is required to consider the appeal in the right earnest so as to dispose of the same as the fate of the petitioners as regards holiday listing which has the potential of bringing certain effects to the petitioners' business is hanging.

14. Mr. Sharma has submitted that a period of one month would be reasonable and sufficient for the appellate authority to dispose of the appeal and Mr. Das, learned Senior Counsel for the petitioners has agreed to such submission.

15. Taking the above facts and circumstances of the case in its entirety, this Court is of the considered view that the writ petition is not to be adjudicated at this stage as the appellate authority is yet to dispose of the appeal of the petitioners on its own merits and no final decision as regards release or otherwise of the additional performance security amount of INR 4.50 crores has been passed and communicated to the petitioners till date. This Court therefore, deems it fit and appropriate to dispose of the writ petition with a direction to the appellate authority to take the appeal on board for consideration and thereafter, to dispose of the same on its own merits on or before 30.04.2026 by taking into consideration the reasons highlighted by the petitioners in its appeal. After passing the appellate order, the same is to be communicated to the petitioners immediately thereafter. The competent authority in the OIL shall also

take a decision on the aspect of refund or otherwise of the additional performance security amount of INR 4.50 crores on or before 30.04.2026.

16. Another issue which has been canvassed on behalf of the petitioner is with regard to termination of the contract vide the Order dated 07.05.2025. As the instant writ petition has not dealt with the merits of any of the three aspects namely, [i] the Order of Termination dated 07.05.2025; [ii] the request of the petitioners for release of the additional performance security amount of INR 4.50 crores; and [iii] holiday listing of the petitioners vide Order dated 08.11.2025, leaving it to the respondent authorities in the OIL to decide on the afore-discussed two aspects on merits, it is observed that if the petitioners are aggrieved by the decisions taken by the respondent OIL authorities on the two aspects, as alluded hereinabove, the same would not preclude the petitioners to seek appropriate remedy as permissible under the law on all the three aspects.

17. This order disposes of the writ petition. No cost.

JUDGE

Comparing Assistant