

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

UNSTARRED QUESTION NO:5527
ANSWERED ON:29.04.2010
AGREEMENT BETWEEN NTPC AND RIL
Rathod Shri Ramesh

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

- (a) whether Reliance Industries Ltd. had violated the provisions of Production Sharing Contract (PSC) by unilaterally assigning itself the power of an owner and entering into an agreement with National Thermal Power Corporation for supply of gas for its plants;
- (b) if so, the details thereof; and
- (c) the action being proposed by the Government on RIL for violation of PSC ?

Answer

MINISTER OF STATE IN THE Ministry of Petroleum & Natural Gas (SHRI JITIN PRASADA)

(a): In the year 2002, NTPC invited bids under International Competitive Bidding (ICB) route for procurement of gas @ 132 Trillion British Thermal Units (Tbtu) per annum for a period of seventeen (17) years. National and international companies participated in the bidding. After the qualification process, the Request For Proposal (RFP) was issued in April, 2003. M/s Reliance Industries Limited (RIL) was the lowest bidder and was issued a Letter of Intent (LOI) by NTPC. However, RIL did not sign the Gas Sales and Purchase Agreement (GSPA) with NTPC for supply of gas.

(b) and (c): Does not arise in view of (a) above.