

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

UNSTARRED QUESTION NO:2808

ANSWERED ON:23.07.2009

SUPPLY OF KG GAS TO RNRL .

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Owaisi Shri Asaduddin;Ray Shri Rudramadhab ;Sarvey Shri Sathyanarayana;Sule Supriya

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

(a) whether the Ministry of Chemicals and Fertilizer has raised an alarm over the Bombay High Court ruling asking Reliance Industries to supply 28 million metric standard cubic meters a day of KG gas to Reliance Natural Resources Limited (RNRL);

(b) if so, the reasons therefor; and

(c) the steps taken by the Union Government to ensure that the supply of KG gas to the power and fertilizer industry should not be effected?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA)

(a) Yes, Madam. The Department of Fertilizers on a reference from Fertilizers Association of India has sought re-confirmation from Ministry of Petroleum & Natural Gas to the effect that the recent judgement of Bombay High Court would have no implications on the supply of gas from KG Basin to the fertilizer industry. The clarification/confirmation in this regard will remove the uncertainty in supply of feedstock to the fertilizer industry. This would also have implications on the fuel oil and naphtha based urea units, which are making large investments to switch feedstock to natural gas as per the declared policy of the Government.

[b] The Department of Fertilizers has contended that the gas in question has been allocated based on Government's authority and rights under the Production Sharing Contract (PSC) aimed at regulating gas marketing and allowing their orderly growth. Further, fertilizer sector has been accorded highest priority by Government in allocation of gas to meet its current and future requirements and same needs to be intact.

(c) Both RIL and RNRL have gone on appeal through SLPs to the Supreme Court against the judgment of the Bombay High Court. Government of India has been made an intervener in the SLP filed by RIL. This Ministry has filed an affidavit expressing its stand on the basis of Production Sharing Contract (PSC). Further, the Government has filed a special leave petition to protect its interest.