

LOK SABHA
UNSTARRED QUESTION NO. 2343
TO BE ANSWERED ON 8.7.2019
Gas Terminal

2343. SHRIMATI MAHVA MOITRA:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether Gas Authority of India Limited (GAIL) has entered into an MoU with Paradip Port Trust on 26.10.2013 to set up a Rs.2,485 crore gas terminal but in March, 2015, GAIL arbitrarily decided to drop this floating storage and re-gasification unit project;
- (b) if so, the details thereof;
- (c) whether GAIL and IOCL signed an agreement with a private entity to take 11 per cent and 38 per cent stake in Dhamra Port under which the two PSUs will have capital expenditure of Rs. 34,500 crore compared to the capital expenditure of Rs. 2,485 crore in Paradip Port, if so, the details thereof and the reasons therefor; and
- (d) whether it is true that the outgo of the said project would be recovered from the customers, if so, the details thereof and the reasons therefor?

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री
(श्री धर्मन्द्र प्रधान)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

- (a) to (d) GAIL has informed that in September 2012, GAIL engaged a consultant to undertake a feasibility study for exploring the possibility of setting-up Floating Storage & Re-gasification Unit (FSRU) project(s) in upper part of the east coast of India which would facilitate

development of natural gas market in eastern part of India. The consultant undertook the site screening study and shortlisted two locations, one falling near Dhamra Port and the other close to Paradip Port.

Before finalizing the location, it was decided to have consultations with Indian Ports Association and Govt. of Odhisha. Meanwhile, Paradip Port Trust also approached GAIL and expressed their interest in establishment of the LNG regasification terminal in the Paradip Port waters. Accordingly, GAIL entered into an MoU with Paradip Port Trust on 26.10.2013 for a period of three years. However, during the meeting held in March, 2015, it was discussed that as gas demand in the eastern part of the country would take some time to mature, setting up of two competing LNG terminals at round the same time in such close proximity would not be commercially viable on standalone basis.

A non-binding MoU between Adani Petroleum Terminal Private Limited (APTPL) and Dhamra LNG Terminal Pvt. Ltd (DLTPL) – a subsidiary of APTPL, IOCL and GAIL was signed on 21.09.2016 under which the equity structure of DLTPL has been agreed as APTPL: 50%, IOCL: 39%, GAIL: 11% subject to management approvals of IOCL and GAIL and successful negotiation of the respective Regasification Agreements. The MoU has expired on 20.09.2018. Further GAIL and IOCL have informed that no capital expenditure has been made by them on this Project.