

LOK SABHA
UNSTARRED QUESTION No. 3036
TO BE ANSWERED ON 15.03.2021
Bifurcation of GAIL

3036. SHRI GAUTHAM SIGAMANI PON:
SHRI GAJANAN KIRTIKAR:
SHRI E.T. MOHAMMED BASHEER:
SHRI SELVAM G.:
SHRI C.N. ANNADURAI:
SHRI DHANUSH M. KUMAR:

पेट्रोलियम और प्राकृतिक गैस मंत्री

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

- (a) whether the Government is considering the bifurcation of GAIL and if so, the details thereof and aims and objective behind the move;
- (b) whether the Government is also planning for a market-driven pricing mechanism by introducing a new tariff policy for natural gas and if so, the details thereof and whether the Government has consulted all the stakeholders in this regard;
- (c) whether the Government has also laid a road map of increasing the share of natural gas in the country's energy basket to 15 per cent by 2030 and if so, the details thereof and the manner in which GAIL will contribute to achieve the target;
- (d) the details of the projects being operated by GAIL (India) Ltd. in different parts of the country along with the present status/progress of the said projects, particularly in Tamil Nadu and Maharashtra;
- (e) the details of profit earned/loss incurred by GAIL (India) Ltd. during the last three years and the steps taken to enhance the profit; and
- (f) the other steps taken by the Government to bring in transparency to India's gas market?;

ANSWER

पेट्रोलियम और प्राकृतिक गैस मंत्री

(श्री धर्मेन्द्र प्रधान)

MINISTER OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

- (a) There is no such proposal under consideration at present.
- (b) Petroleum and Natural Gas Regulatory Board (PNGRB) has notified the unified tariff regulation i.e. PNGRB (Determination of Natural Gas in Pipeline Tariff) Second Amendment Regulations, 2020 on 23.11.2020. PNGRB has also notified the Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020, on 28.09.2020. Indian

Gas Exchange Limited (IGX) has started functioning in June, 2020. Details of these regulations may be seen at www.pngrb.gov.in/eng-web/regulation.html.

(c) As per BP Statistical Review of World Energy, June 2020, the present share of Natural gas of India in primary energy basket is 6.3%. The target is to increase this share to 15% by 2030. Government is promoting expansion of Natural Gas Infrastructure, i.e. pipeline, LNG terminals, City Gas Distribution & Compressed Natural Gas retail network in the country expansion of natural gas market. CGD networks ensure the supply of cleaner fuel (i.e. PNG) to households, industrial & commercial units as well as transportation fuel (CNG) to vehicles. GAIL is executing projects related to expansion of gas infrastructure in the country.

(d) GAIL is majorly implementing Jagdishpur-Haldia-Bokaro–Dhamra pipeline (JHBDPL) with Barauni-Guwahati Pipeline in the state of Uttar Pradesh, Bihar, Jharkhand, Odisha, West Bengal, Assam and Kochi-Kootanad-Bangaluru-Manglore Pipeline (KKBMPL) in the state of Kerala, Tamilnadu and Karnataka. Details of other projects of GAIL is available at <https://gailonline.com/BV-NarutalGas.html>

(e) The details of the profit earned during the last three years is stated as follows:

Period	Profit Before Tax (PBT) (Rs. in Crore)
FY17-18	6,958
FY18-19	9,085
FY19-20	7,943

GAIL has informed that they have taken the following major steps to enhance the profitability of the company:

- i. Company-wide cost optimization drive has been initiated to bring down the cost and improve operational efficiency during this uncertain business environment
- ii. Digitization and Process optimization drive has been started in the company to reduce response time and cost.

Various marketing initiatives such as hedging of Commodity prices, Destination swap, Time Swap are being undertaken on continuous basis to bring down the cost and mitigate the risk on imported LNG portfolio.

(f) Government is taking steps to progressively move towards gas based economy and major steps taken in this direction are as below:

1. Fair price discovery through E-bidding platform and Gas Trading Exchange.
2. Introduction of Hydrocarbon Exploration and Licensing Policy (HELP)/ Open Acreage Licensing Policy (OALP) replacing NELP/PSC.
3. Introduction of Discovered Small Field (DSF) Policy for early monetization of un-monetized discoveries of National Oil Companies (NoCs).
4. National Data Repository (NDR) and National Seismic Programme for conducting 2D seismic survey for data Acquisition, Processing and Interpretation (API).

5. Introduction of New Domestic Natural Gas Pricing Guidelines, 2014 based on the international prices prevailing in major international hubs like Henry Hub (USA), Alberta (Canada), NBP (UK), Russia etc., to strike a fine balance between the requirements of both producing and consuming sectors.
6. PNGRB has notified PNGRB (Gas Exchange) Regulations, 2020, on 28.09.2020 and PNGRB (Determination of Natural Gas in Pipeline Tariff) Second Amendment Regulations, 2020 on 23.11.2020.
