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Gujarat gas companies bidding for projects outside the state

Four Gujarat companies win bids for city gas distribution in six cities



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New Delhi: Oil regulator PNGRB has sought more time to respond to Petroleum Ministry's move to snatch away its powers to issue CNG retailing licences. The Ministry had, earlier this month, sought comments by March 20 on its draft guidelines seeking to wrest powers to give CNG retailing licences from sectoral regulator PNGRB. "A view (on the guidelines) will have to be taken by the full Board. We have told them that we need 7-10 days more to respond," said an official of the Petroleum and Natural Gas Regulatory Board (PNGRB).

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Ahmedabad: Gujarat-based city gas distribution (CGD) companies are expanding their wings. With most parts of Gujarat already covered with a robust gas distribution network, local CGDs are now bidding for and bagging CGD projects outside the state. Four CGDs from the state have bagged contracts for laying gas network in six cities across the country in the latest round of bidding in the last few weeks.

Market sources say that Adani Gas Limited has bagged the contract for CGD projects in three cities outside Gujarat. Three subsidiaries of state-owned Gujarat State Petroleum Corporation (GSPC), which had so far restricted their operations to Gujarat, have also won CGD projects in one geographical area each outside the state.

"It is natural for them to go outside Gujarat if they want to expand as Gujarat is more or less saturated. Our companies are bidding aggressively to win CGD projects, and could bag some more cities in future rounds," said a city-based oil & gas expert. According to market estimates, CGD projects in six cities are likely to require investment of anywhere around Rs1,500-1,800 crore, majority of which would take place in the first five years.

Officials said that Gujarat State Petronet Limited (GSPL) has won the contract for CGD project in Amritsar in Punjab. GSPC Gas, the largest city gas distribution entity in the country, has won the contract for the union territory of Dadra & Nagar Haveli, whereas Gujarat Gas Company has won the contract for Thane in neighbouring Maharashtra.

"Gujarat Gas has won Thane, while GSPC Gas will lay CGD network in Dadra & Nagar Haveli," a senior source in Gujarat Gas Company, which is in the process of being merged with GSPC Gas, said. Industry sources also said that Adani Gas, which distributes gas in Ahmedabad and Vadodara, has won CGD projects for Ernakulum in Kerala, Panipat in Haryana, and Daman, in partnership with Indian Oil Corporation. The Adani Gas-Indian Oil joint venture is already executing CGD projects in Allahabad and Chandigarh, which it had bagged three years ago. This would be the first foray in CGD business outside Gujarat for all the three PSUs.

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