

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

UNSTARRED QUESTION NO:3474

ANSWERED ON:24.08.2006

SALE OF NATURAL GAS

Barad Shri Jashubhai Dhanabhai;Kathiria Dr. Vallabhbhai;Mistry Shri Madhusudan Devram;Varma Shri Ratilal Kalidas

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

- (a) whether Panna, Mukta and Tapti (PMT) Joint Venture partners invited the bids for sale of natural gas upto 4 MMSCMD from April 1, 2006;
- (b) if so, whether the Gujarat State Petroleum Corporation (GSPC) offered the highest price for gas amongst the bidders;
- (c) if so, the reasons for not allocating the gas to GSPC;
- (d) whether the Government of Gujarat represented to the Union Government to follow the rules of Tender Procedures and offer gas to GSPC, since bid of GSPC was the highest; and
- (e) if so, the reaction of the Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (c): Panna, Mukta and Tapti Joint Venture (PMT JV) has been producing about 10.6 million standard cubic metres per day (MMSCMD) gas since 2004-05. Effective 1.4.2005, the Government allowed the PMT JV to directly sell 4.6 MMSCMD gas, with the remaining about 6 MMSCMD gas continuing to be supplied to the existing power and fertilizer consumers through GAIL for a period of one year, i.e., upto 31.3.2006. It was also decided that the position of the supply of gas through GAIL would be reviewed at the end of the year. In the meantime, perhaps on the understanding that the gas being marketed by GAIL might be released for direct marketing by the JV effective 1.4.2006, PMT JV solicited expression of interest from prospective buyers to purchase gas upto 4 MMSCMD from 1st April, 2006 for a period of two years with a caveat that the JV reserved the right to decide the quantity to be sold. As informed by PMT JV, GSPC and another buyer offered the highest price for this gas. The matter of continuing the gas supplies to the power and fertilizer sector consumers by GAIL beyond 31.3.2006 was reviewed in the Ministry in March 2006 and it was decided that this arrangement needed to be continued for a further period of 2 years, i.e. upto 31.3.2008, as there are no alternative sources of gas supplies available at present and any disruption in gas supplies would result in idling of the existing assets in these important sectors.

(d) & (e): This Ministry had received through Prime Minister's Office a copy of the letter dated 8.3.06 addressed to the Prime Minister by members of the Parliament. At present there is no increase of gas production by PMT JV. The additional gas is likely to be produced from mid 2007. GSPC may like to get in touch with PMT JV to tie up their requirements.