

# GAIL exploring gas reserves on west coast in tie-up with ONGC, Oil India

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**STATE-OWNED GAIL** India, in partnership with Oil and Natural Gas Corp (ONGC) and Oil India (OIL), is exploring possibilities for gas storage facilities along the west coast of India, chairman and managing director Sandeep Kumar Gupta told *FE* on Monday.

"We are working out in collaboration with ONGC and Oil India. ONGC has already identified two such areas and certain fields in the western parts of the country. Now, we will be checking the feasibility of using those," Gupta said.

*FE* reported earlier that India is actively considering strategic gas storage facilities along the West coast, with studies at an advanced stage. The initiative comes along with the government's target of taking the share of natural gas to 15% in the energy mix from the current 6%.

Major economies like the US, China and Russia have already



GAIL India CMD SK Gupta said the company is targeting a capex of ₹10,000 crore for the next fiscal

established extensive gas storage systems to ensure supply security, with the US alone accounting for nearly a third of global gas storage capacity.

The company is also aiming to extend its portfolio in LNG transportation. "We have a strong conviction that LNG transportation has a

huge potential and within GAIL we have set up a vertical of retail LNG. We have a roadmap also prepared and we will be shortly announcing our plans in detail for this," he added.

At present, GAIL sources LNG from the US, Qatar, Australia, and Russia among others with a total portfolio of around 14 million metric tonne per annum and is looking for further such contracts, Gupta said.

The company recently signed contracts for an additional 1.5 million metric tonne of gas supplies, taking its entire volume to 15.5 million tonne per annum from 2026. The contracts include 1 mmpta of gas supply from Vital Asia and 0.5 mmpta from ADNOC starting 2026.

Talking about its investment plans, the chairman said that the company is targeting a capex of ₹10,000 crore for the next financial year. In FY24, GAIL targeted a capex of ₹7,750 crore which was later revised and increased to ₹10,000 crore.

"Given the pipeline projects,

petchem projects, and our net zero targets which are in progress, we are confident that this level of capex (₹10,000 crore) will continue in future," Gupta said.

The company expects to complete two pipeline projects, the Mumbai-Nagpur-Jharsuguda and Nagpur-Jabalpur pipelines, within the current year.

The company's consolidated net profit for the October-December period soared by an impressive 703% to ₹3,193.34 crore from ₹397.59 crore in the corresponding period last fiscal.

The latest rise in net profits came on a low base as Gail had suffered from disruptions to supply from Russian energy giant Gazprom and higher global gas prices.

The company transported 121.54 MMSCMD (million standard cubic metre of gas per day) of natural gas in the third quarter of FY24, up from 1020.31 MMSCMD in Q3FY23. Its gas marketing volumes also rose 1.2% to 98.14 MMSCMD.

