

STILL THINKING ON INVESTMENTS

IOC, Gail Evaluating Adani LNG Terminal

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New Delhi: Indian Oil and Gail are still evaluating plans to invest in a ₹6,000-crore liquefied natural gas (LNG) import terminal being developed by the Adani Group in Odisha. The plan was announced in 2016.

According to a preliminary pact signed in September 2016, the Adani Group had agreed to give away half of equity stake in the LNG terminal to Indian Oil and Gail. The two state-run companies were to also book 3 million tonnes and 1.5 million tonnes a year of regasification capacity, respectively, in the 5-million-tonne terminal.

The PSUs have gone ahead with their plans on regasification capacity but have yet to take a final call on their equity investments.

"Gail and Indian Oil Corp are jointly carrying out techno-commercial and legal due-diligence studies," Gail said in an emailed response to ET's query on the status of planned investments in the LNG terminal. Indian Oil, too, said it was carrying out due diligence in the matter.

It is unclear why the government firms have taken so long to make up their mind on inves-

ting in the project. A spokesperson for the Adani Group said construction orders have been placed and the LNG terminal is on track.

Adanis have roped in French energy giant Total to invest in Dhamra LNG terminal. "The companies will jointly develop various regasification LNG terminals, including Dhamra LNG, on the East coast of India," the two companies said in a statement in October 2018.

The Adani Group didn't offer an update on Total's investment plans for Dhamra LNG terminal.

According to the 2016 pact, the country's top refiner IOC and top gas transporter Gail were to hold 39% and 11% equity stakes, respectively, in the Dhamra LNG terminal. The Adani Group was to hold the remaining 50%. IOC and Adani were to give away 1% each to a financial institution at a later stage, reducing their stakes to 38% and 49%, respectively.

Indian Oil's 5-mt-a-year LNG terminal at Ennore in TN is almost ready to go on stream.

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