

# GAIL's city gas distribution in Kolkata may no longer remain a pipedream with pipelines reaching city

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The State-run GAIL (India) Ltd is working on to increase its Capex to Rs 12000 crore for the next 2-3 years from FY'26 fro the current level of Rs 10000 crore.

"This fiscal, we are expecting to do Capex of Rs 10,000 crore. But this trend will increase to about Rs 12,000 crore for the next 2-3 years from FY'26 onwards due to new projects, as we are expecting new pipelines to be authorised to us," said Saneep K Gupta, CMD, GAIL.

Speaking on the sidelines of the 32nd Annual General Conference of the Institute of Internal Auditors of India-Kolkata chapter, Gupta said that the company was also hoping to maintain a robust growth trajectory for gas transmission, citing an 11 per cent year-on-year rise in demand driven by industrial shifts to cleaner fuels and expanding City Gas Distribution (CGD) networks.



"We expect to maintain this growth trend," he said.

Responding to queries, Gupta also said that he does not foresee any immediate softening of gas prices amid the crude price decline trend. However, he predicted softening of prices in the medium term, in the wake of the upcoming LNG projects in the US.

In another significant development, Gupta said that their city gas distribution dream may no longer remain a pipedream with significant progress having been achieved

in the Kolkata city gas distribution network. This has been achieved with pipelines now reaching the city, paving the way for accelerated natural gas adoption in the city and adjoining districts in near future.

Interestingly, there had been inordinate delays, due to challenges in navigating fisheries-rich districts of Midnapore, which, in turn, is critical for pipeline routing for the Jagdishpur-Haldia-Bokaro-Dhamra pipeline.

"The pipeline has reached Kolkata, so city gas distribution



will get accelerated. Earlier we had to transport it," Gupta said.

Asked about a timeline, he said: "We stand by the minimum work programme under which all the city gas distribution entities have to work. The work programme is decided by the Petroleum and Natural Gas Regulatory Board. So, they will be working all in line with that work programme," he said.

City natural gas distribution is executed by Bengal Gas Company Limited, a joint venture of GAIL (India) Limited and

Greater Calcutta Gas Supply Corporation Limited (GCGSCL), a company of Government of West Bengal), to develop the City Gas Distribution (CGD) Network in Kolkata city and parts of adjoining districts of North 24-Parganas, South 24-Parganas, Howrah, Hooghly, and Nadia.

The GAIL Chairman also expressed confidence that the Kolkata-Haldia pipeline, along with the stalled Dhamra-Haldia link, would see renewed momentum, with completion targeted by next year.