

# 'Domestic gas production expected to get a boost'

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India's domestic gas production is expected to get a boost from KG Basin, from Motilal Oswal Financial Services (MOFSL).

"Domestic gas production would get a further boost, primarily from RIL and ONGC's assets in the KG Basin," the brokerage house said in a report.

Besides, the MOFSL cited that after remaining stagnant at 70mmscmd for the past five years, domestic gas available for commercial consump-

tion has risen.

It rose to 80mmscmd in the past few months.

"Since domestic gas availability would not suffice the demand of 220mmscmd projected in FY27E, import infrastructure would remain key to growth in gas consumption."

"We expect India's available LNG capacity to rise to 66.5mtpa in the next 3-4 years from 42.5mtpa."

Furthermore, the report said that key trunk pipelines like Jagdishpur-Haldia, Kochi-Bangalore, Mehsana-Bhatinda, and North East grid would facilitate better gas penetra-

tion.

Additionally, it said that favourable gas prices would benefit domestic consumption and would benefit the overall gas sector in the country.

"In light of commodity prices turning favorable again (higher spot prices in the medium term, increase in petchem margin in Q3FY22, and better LPG price realization) and the reality of de-risking US Henry Hub contracts coming to light, we reiterate GAIL as our top pick in the largecap space," the brokerage said.