

GAIL acquires 26% stake in ONGC Tripura Power Company

RISHI RANJAN KALA

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State-run power utility GAIL (India) said on Wednesday that it has acquired 26 per cent equity in ONGC Tripura Power Company, which owns and operates a 726.6 MW gas-based combined cycle power plant at Palatana in Tripura.

“The stake has been acquired from IL&FS group companies, IL&FS Energy Development Company and IL&FS Financial Services. GAIL and IL&FS Group concluded the transaction on Tuesday by signing Deed of Adherence (DoA) to shareholders agreement of ONGC Tripura,” GAIL said in a statement.

Bidding process

GAIL had participated in an open bidding process of IL&FS and had emerged as

the successful bidder. Being an integrated natural gas company, the acquisition would be synergistic and would enable GAIL to stronghold its presence in north-eastern region.

Apart from 26 per cent equity acquired by GAIL from IL&FS Group, rest of the equity is held by ONGC (50 per cent), Government of Tripura (0.50 per cent) and

India Infrastructure Fund GIP II (23.50 per cent).

ONGC Tripura also has 26 per cent equity

investment in North East Transmission Company, a joint venture of OTPC, Powergrid and States of North Eastern region, formed with an objective to develop transmission line to evacuate power from the 726.6 MW gas-fired power plant of OTPC.

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GAIL, BPCL, HPCL Bids for City Gas Licences Raise Eyebrows

BPCL competing with related entities in 15 areas, Gail Gas contesting in 11 and HPCL in 3

Sanjeev Choudhary
@timesgroup.com

New Delhi: GAIL, BPCL and HPCL are competing for licences in 19 city gas distribution areas — nearly a third of 61 being contested in the latest bidding round — with the companies they control, drawing allegations of unfair practice.

For instance, the licence area comprising Baloda Bazar, Gariyaband and Raipur districts in Chhattisgarh has received 16 bids, of which six are from companies — GAIL Gas, BPCL, HPCL, Indraprastha Gas (IGL), Mahanagar Gas (MGL) and Aavantika Gas — sharing a complex web of relationship. Gail Gas is a fully owned subsidiary of GAIL (India). GAIL (India) is also the promoter of MGL. Gail (India) and BPCL jointly control IGL, while Gail (India) and HPCL jointly control Aavantika Gas. Similarly, of the 15 bids received for Nagpur, four are from Gail Gas, MGL, Maharashtra Natural Gas (MNGL) and BPCL. MNGL is a GAIL-BPCL joint venture.

BPCL is competing for licences



with its related entities in 15 areas while Gail Gas is in a contest in 11 and HPCL in three.

IGL and Central UP Gas, the two BPCL-GAIL JVs, are competing for two city gas areas in UP. BPCL, GAIL, HPCL and Petroleum & Natural Gas Regulatory Board didn't respond to ET's request for comment. However, a source close to PNGRB said all these firms were ultimately owned by the government and run by independent boards, leaving no scope for any unfair practice.

An executive at a large city gas firm, however, rejected PNGRB's defence, saying the auction process has been vitiated, as the group with more than one bid for a licence has a bigger chance to win.

"It's unfair to other bidders — public or private," he said. Private players like Adani, Think Gas and Torrent Gas are some of the big bidders in the current round.

An addendum to the tender issued by PNGRB on November 18 says: "In case an entity forms more than one JV/consortium, for example, X forms JV/consortium with Y (consortium C-1), and X forms another JV/consortium with Z (consortium C-2), then consortium C-1 & C-2 are not allowed to bid for the same GA".

The source close to PNGRB said the addendum doesn't apply to established JVs but must be seen in the context of new consortiums formed to comply with the net worth criteria and to avoid any manipulation.