

Andhra inducts Shell in SPV for natural gas project

Published Date : 09-Jul-2014 22:00:00 GMT

CNET GLOBAL SOLUTIONS
214 558 9285
hr@cnet-global.com

"MBE" and "E-Verified"
Company

Jobsite

Hyderabad: Andhra Pradesh has decided to induct oil major Shell with 26 percent equity in the proposed Special Purpose Vehicle (SPV) for setting up of a floating, storage and re-gasification (FSRU)-based liquefied natural gas terminal in Kakinada.

The decision was taken Thursday at a cabinet meeting chaired by Chief Minister N. Chandrababu Naidu here.

The SPV was formed last year between Andhra Pradesh Gas Distribution Corporation (APGDC) Limited and GDF Suez LNG UK Limited for Rs.3,600 crore project.

After taking the opinion of solicitor general of India and recommendations of the committee of secretaries

constituted for the purpose, the cabinet approved the proposal to induct Shell, said a statement by department of infrastructure and investment.

A memorandum of understanding was signed in May last year between Kakinada Seaports Limited and APGDC, a joint venture of Gail Gas Limited and AP Gas Infrastructure Corporation for the project.

Once FSRU project is implemented, cheap, sustainable, eco-friendly imported gas will be available to power, fertilizer, industrial, automobile sectors and city gas distribution in the state. This will result in increased power and gas based industrial development.

The state government will get Rs.1,700 crore per annum revenue in the form of equity value, taxes and duties in addition to revenue share in port charges.

The project will provide direct and indirect employment to 2,000 people.

The officials had earlier said that the FRSU will have capacity of 3.5 mmtpa (million metric tonne per annum) and will go up to 5 mmtpa when the land terminal is set up. It will be able to support about 2500 Megawatt of power generation.

Tags: Andhra Pradesh APGDC SPV

"News published in the web - greatandhra.com", dated 9th Jul 2014.