

Gail, Reliance agree to swap gas

DC CORRESPONDENT
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The Gas Authority of India (GAIL) and Reliance Gas have arrived at a gas swapping agreement to revive the four gas-based power plants in AP.

GAIL, through Reliance, has agreed to supply 30 per cent gas of its total allocation to the power projects while the AP government, on the directions of the Centre, has waived VAT on gas supplied to these four power plants.

Due to this, the state government will lose about ₹2,300 crore per year. GAIL officials, AP Energy department secretary Ajay Jain, Revenue special chief

secretary Ajeya Kallam and commercial taxes commissioner Syamala Rao had held discussions on this issue at the secretariat two days ago. GAIL meanwhile has agreed to pay 2 per cent CST to the state government.

Due to non-supply of gas by Reliance, gas-based power plants GVK, GMR, Goutami and Konaseema had been closed in March 2013. According to the gas supply policy, first priority should be given to fertiliser plants.

After N. Chandrababu Naidu came to power in 2014, he had taken up the issue and pressurised the Centre to allot gas to these four power plants.