

SPIC Thoothukudi plant starts receiving natural gas from ONGC facility

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The natural gas will be transported from the gas fields of ONGC in Ramanathapuram (Representative image)

Fertilizer-maker Southern Petrochemicals Industries Corporation Ltd (SPIC) said it has started taking delivery of natural gas directly from ONGC's facility, through Indian Oil Corporation Limited (IOCL's) recently inaugurated Ramanathapuram-Thoothukudi natural gas pipeline, at its Thoothukudi factory in Tamil Nadu.

The natural gas will be transported from the gas fields of ONGC in Ramanathapuram to the company's plant in Thoothukudi.

SPIC is one of the anchor customers to benefit from this pipeline. In the first phase, natural gas will be made available directly to SPIC's plant as feedstock and fuel, transported from ONGC's gas wells through the IOC pipeline.

In the second phase, IOC will also supplement the supply of natural gas from its LNG facility in Enmore, near Chennai.

Ashwin Muthiah, chairman of SPIC said that the start of natural gas supply through the direct pipeline at the Thoothukudi facility is a key step in the firm's progress towards green and modern manufacturing.

The total natural gas requirement for SPIC is 1.5 million metric standard cubic metres (MMSCMD) a day.

The first phase will fulfil around 60 per cent of the natural gas requirement for SPIC while the second phase will fulfil the entire requirement.

Since natural gas is a cheaper raw material and the need for storage will be eliminated, the subsidy outflow from the government will reduce and ensure sustained profitability for SPIC, Muthiah said.

This pipeline is going to supply natural gas as feedstock at a cheaper cost to SPIC for manufacturing fertiliser. Feedstock will now be continuously available with no storage requirements.

This is expected to result in savings in the range of Rs 70-95 crore in cost of production annually. This will also bring down the final cost of production of fertilizer, Prime Minister Narendra Modi had said after inaugurating the pipeline recently.

Being a green fuel, this development will strengthen the company's environment-friendly manufacturing practices, said Muthiah.

SPIC is India's leading agri-nutrient and fertilizers companies.

He inaugurated Indian Oil's 143 Km long natural gas pipeline from Ramanathapuram to Tuticorin to monetise the gas from ONGC gas fields.

This is a part of a larger natural gas pipeline project being developed at a cost of Rs. 4,500 crore. It will benefit Ennore, Thiruvallur, Bengaluru, Puducherry, Nagapattinam, Madurai and Thoothukudi.

These gas pipeline projects will also enable the development of city gas projects which are being developed in 10 districts in Tamil Nadu at an investment of Rs 5,000 crore.