

Welspun, Ispat move HC on reserving RIL's gas for core sector

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MUMBAI: Welspun and Ispat, two major producers of sponge iron, on Friday moved the Bombay High Court challenging an oil ministry order reserving entire natural gas output from the KG basin for the core sector, saying the move will force them to shut down operations.

Reliance Industries has seen output from its eastern offshore KG-D6 fields dropping from 61.5 million standard cubic meter per day (mmscmd) in March 2010 to less than 50 mmscmd now.

Reliance, till now, had been effecting a pro-rata cut in supplies to all its customers but the oil ministry now wants gas to go first to fertiliser, power, LPG and city gas companies, leaving nothing for others like sponge iron makers such as Welspun and Ispat.