

Hyderabad-based firm announces JV with Russian company to execute LNG projects in India

Phase one will see the establishment of 20 LNG gas stations and fuel retail outlets by both companies, while phase two will see an expansion to 180 outlets.

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A leading Russian company Modern Fuel Technologies, and a Hyderabad-based global fintech company specialising in trade and trade finance, Spacenet Enterprises India Ltd, on Thursday announced a joint venture to execute liquefied natural gas (LNG) projects across India.

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Phase one will see the establishment of 20 LNG gas stations and fuel retail outlets by both companies, while phase two will see an expansion to 180 outlets.

The project will also promote "retrofitting" heavy commercial vehicles (HCVs) to use LNG, contributing to energy efficiency and reduced carbon emissions. According to the Shell LNG Outlook 2024, global demand for LNG is expected to rise by over 50pc by 2040, driven by industrial coal-to-gas switching in China and increased usage in South and Southeast Asia.

In 2022, the total LNG traded worldwide was 402.8 million metric tonnes per annum (MMTPA). India imported 20.79 MMTPA, accounting for 5pc of the global LNG trade.

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"This joint venture underscores the mutual interest of both companies in developing energy, transport, and other economic sectors using modern LNG technologies and solutions and this LNG project is financed by a major Russian bank. The collaboration will drive the growth of clean energy infrastructure and support India's transition to a more sustainable energy future. In this JV Spacenet will be holding a 15-25pc stake which adds value to the company," said Spacenet Enterprises, Executive Director, Prakash Dasigi.

He added that as India emerges as one of the fastest-growing economies in the world and is poised to be one of the top three economic powers in the next 10-15 years, the demand for energy is set to rise exponentially.

This growth is coupled with a significant shift towards clean energy, driven by high-polluting sectors moving towards natural gas. This joint venture as proposed is positioned to capitalize on this trend by developing LNG infrastructure across the country, he added.

Expressing optimism about the venture, Modern Gas Technologies General Director, Aleksander Sorokin, said, "This partnership will be a significant step towards enhancing India's LNG infrastructure and promoting cleaner energy solutions. Our combined expertise will drive the development of modern LNG solutions across various sectors in India."

The shift towards natural gas as an alternative fuel for automobiles is accelerating due to its higher efficiency and cleaner emissions compared to traditional fossil fuels. Natural gas is 30-40pc more efficient and produces 40pc less carbon dioxide (CO2) than coal and 30pc less than oil.

In the race to net zero, LNG serves as a crucial 'feedstock' for low-carbon hydrogen, supporting the emerging hydrogen economy.

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