

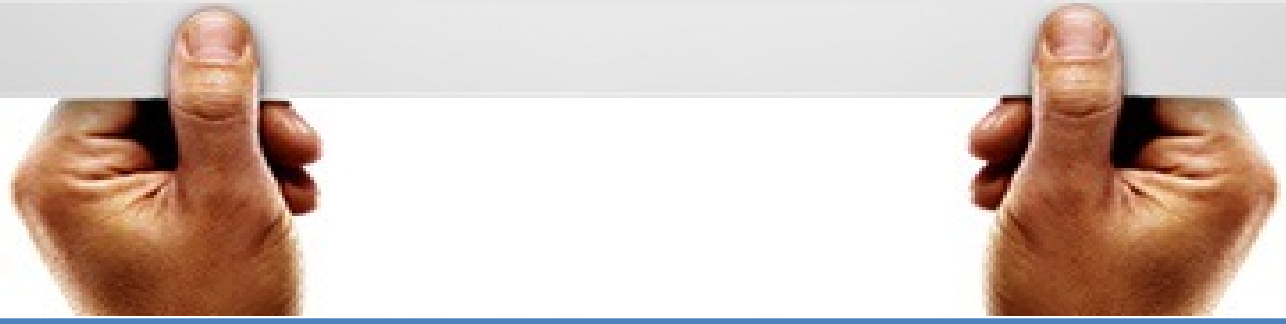
GAIL (India) Limited

Investor Presentation
Q3 (FY 2010-11)

7th & 8th February 2011

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Vision

Be the leading company in natural gas and beyond with global focus, committed to customer care, value creation for all stakeholders and environment responsibility



Mission

To accelerate and optimize the effective and economic use of Natural Gas and its fractions to the benefit of the national economy

Mission & Vision



Sh B C Tripathi
Chairman & Managing Director

Functional Directors



Sh R K Goel
Director (Fin)



Sh R D Goyal
Director (Proj)



Sh S L Raina
Director (HR)



Sh Prabhat Singh
Director (Mktg)



Sh S Venkatraman
Director (BD)

Government Nominee / Independent Directors



Sh Sudhir Bhargava



Sh Apurva Chandra



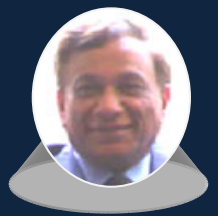
Dr. Vinayshil Gautam



Dr. U K Sen



Sh R M Sethi

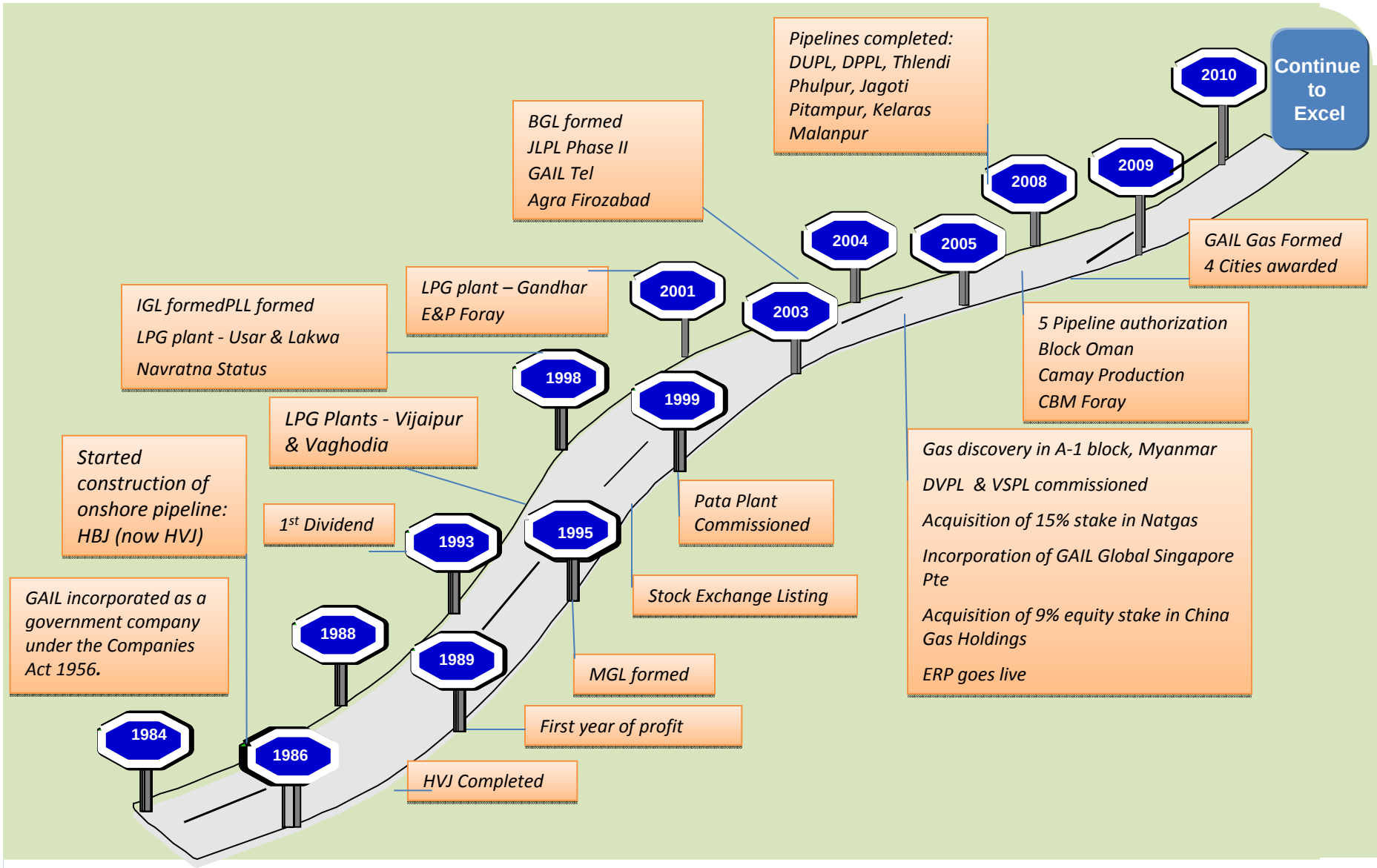


Sh Mahesh Shah



Prof. A.Q. Contractor

GAIL Management



Major Milestones

Quick facts

25+ Years	Experience in Gas Pipelines
Baa2/A3	Moody's – Foreign/Domestic Rating
AAA	ICRA & CRISIL for Bond Issue upto Rs. 750 Cr.
57%+	GoI Shareholding
13%+	10 Years Turnover CAGR
14%+	10 Years PAT CAGR
3700+	Manpower Asset

Quick facts

150 MMSCMD+ Gas Transmission Capacity

1.4+ MMT LHC Production Capacity

450+ TMT Polymer Production Capacity

29 E&P/CBM Blocks

2 100% Subsidiary

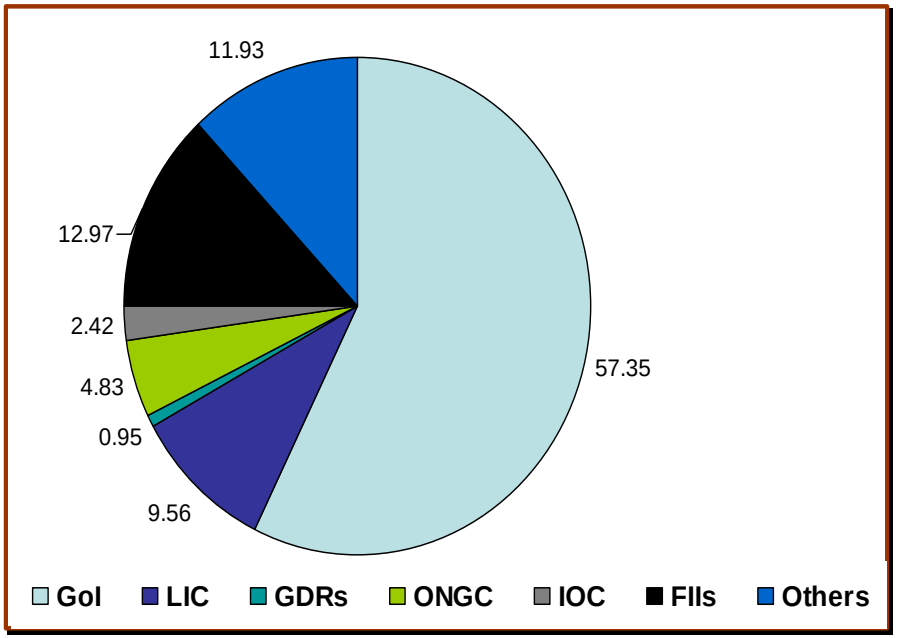
Presence in **4** Countries

12 JVs/Associate Companies

Government of India
is GAIL's majority shareholder



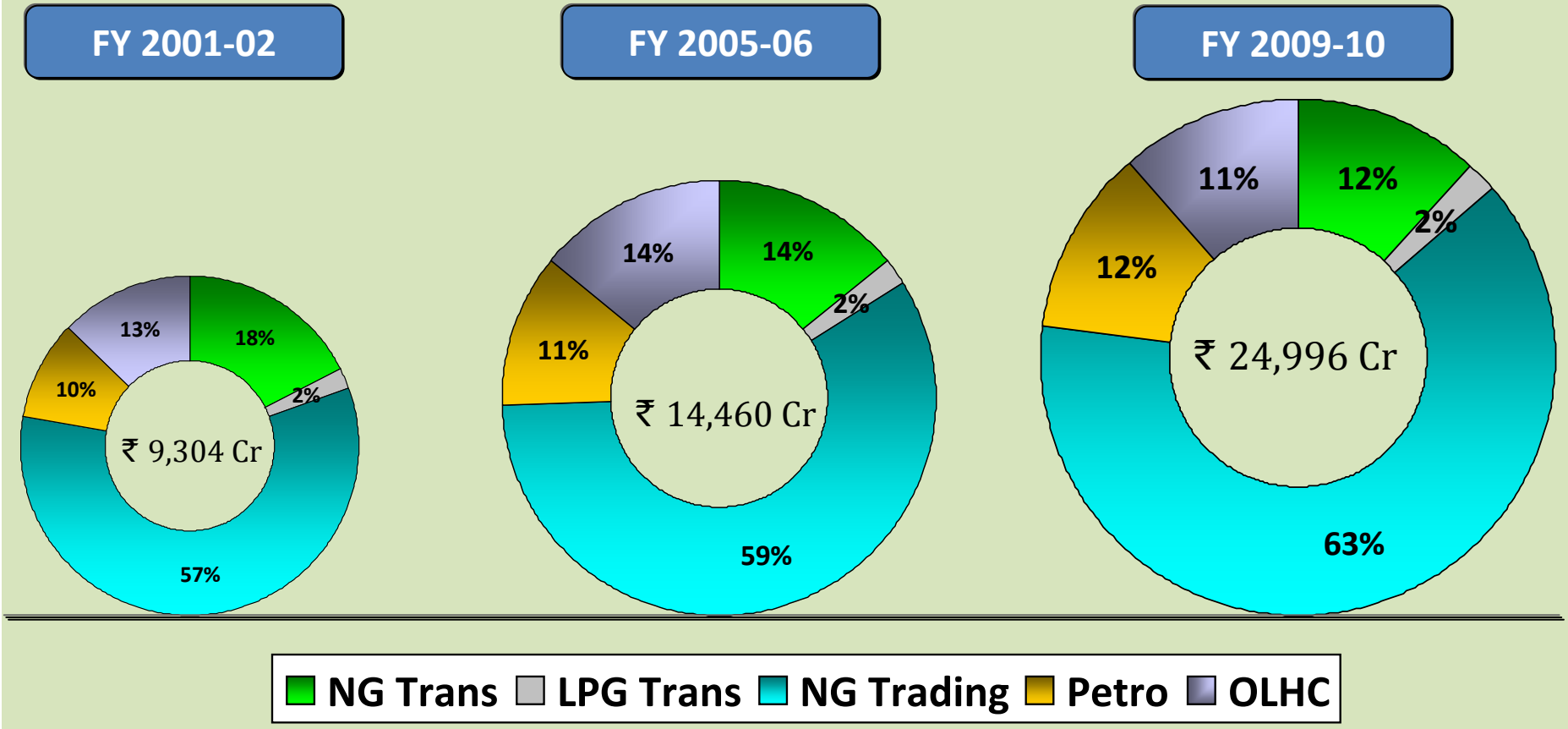
- The administrative ministry for the purpose of the company is the Ministry of Petroleum & Natural Gas, GoI
- GoI has no plans to reduce its shareholding in GAIL to below 51%.



Shareholding patterns as on 31.12.2010

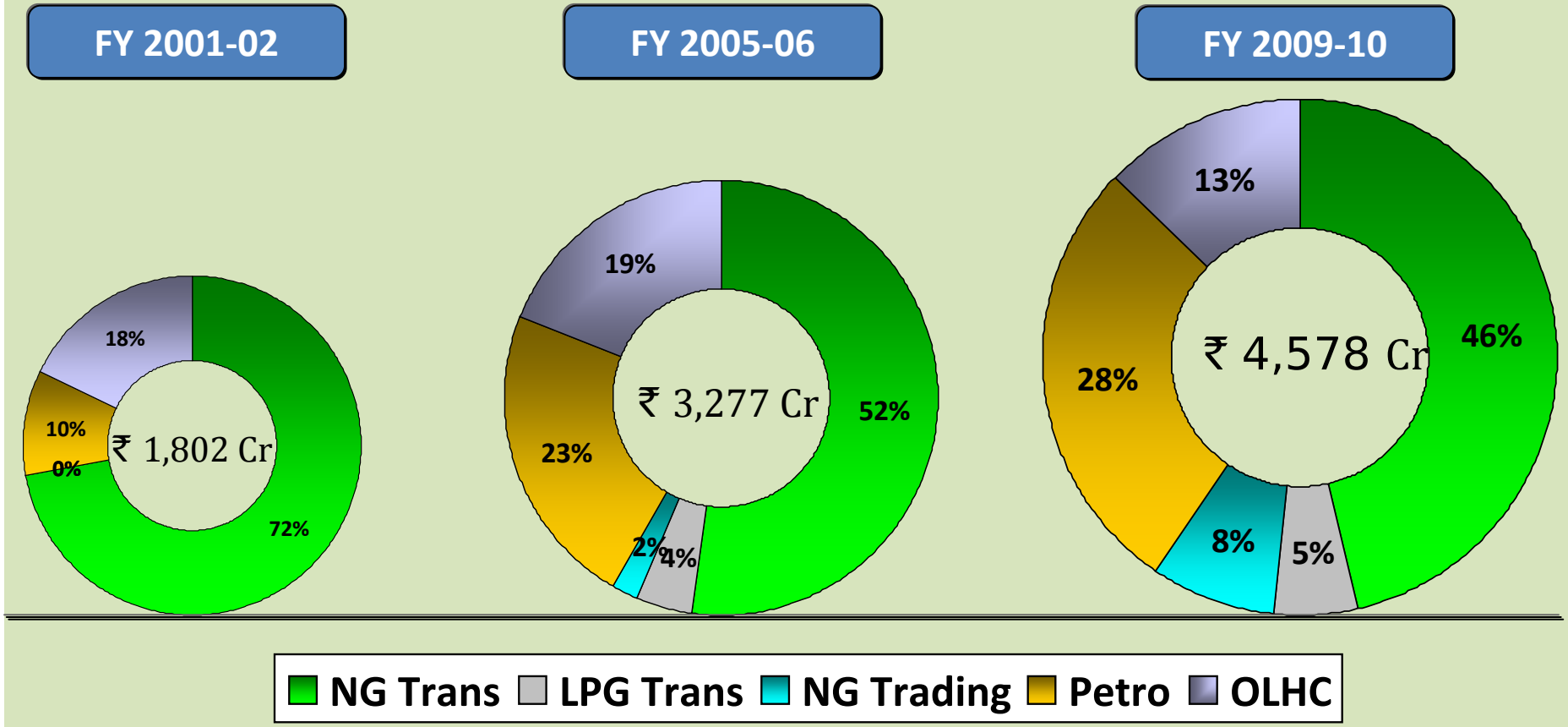
Shareholding Pattern

Turnover Trend



13% CAGR

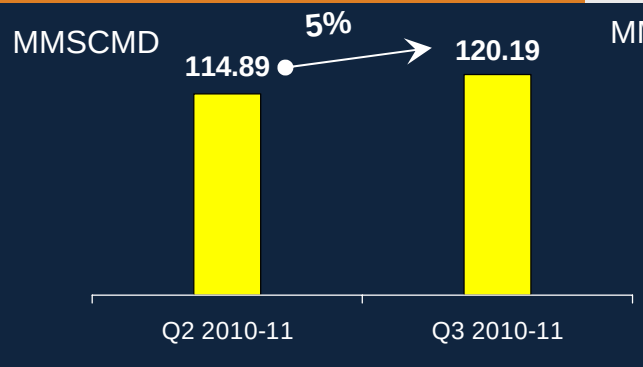
Profit (PBT) Trend



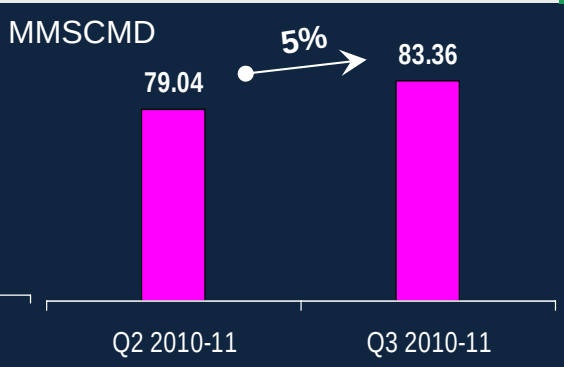
12% CAGR

Segmental Physical Performance
Q3 FY 10-11(Sales)

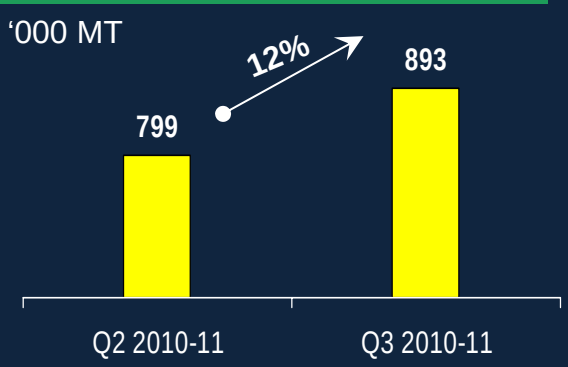
Gas Transmission



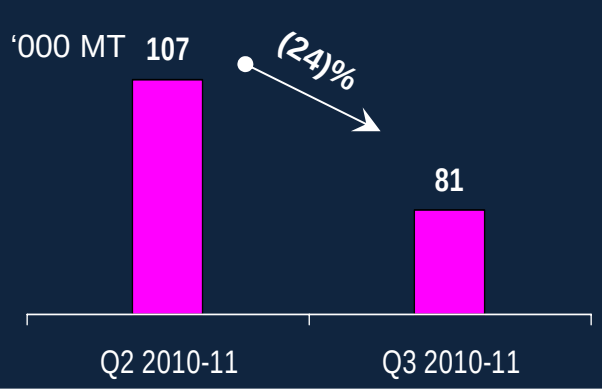
Gas Trading



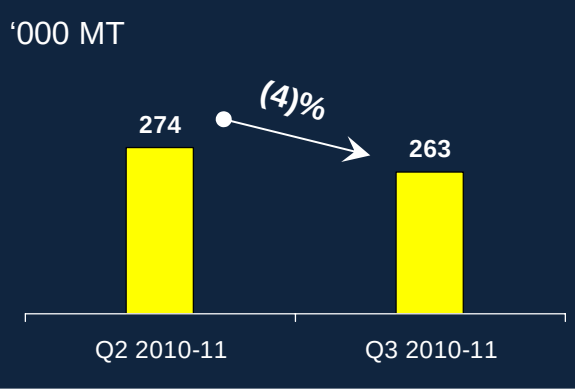
LPG Transmission



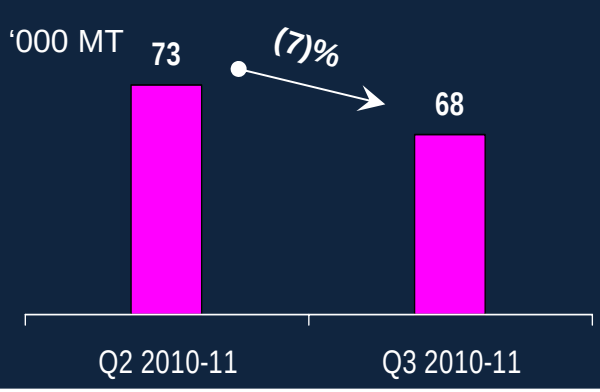
Petrochemicals



LPG



OLHC

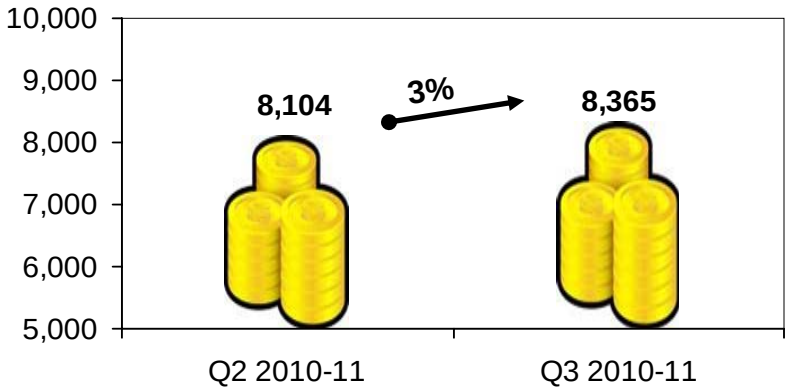


Core Business – Sustained Growth

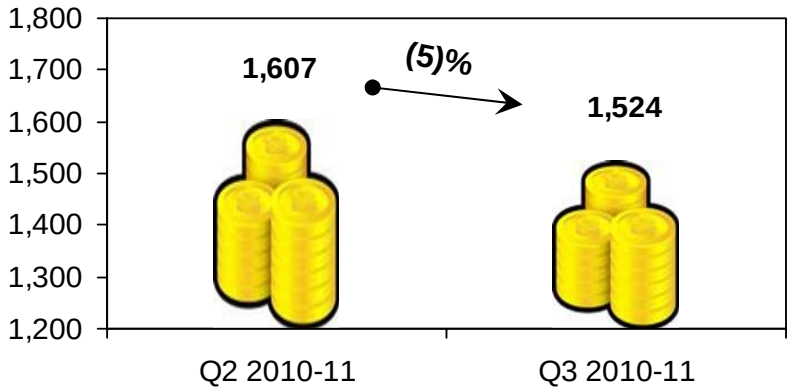
Financial Performance Q3 FY 2010-11

(₹ in Crores)

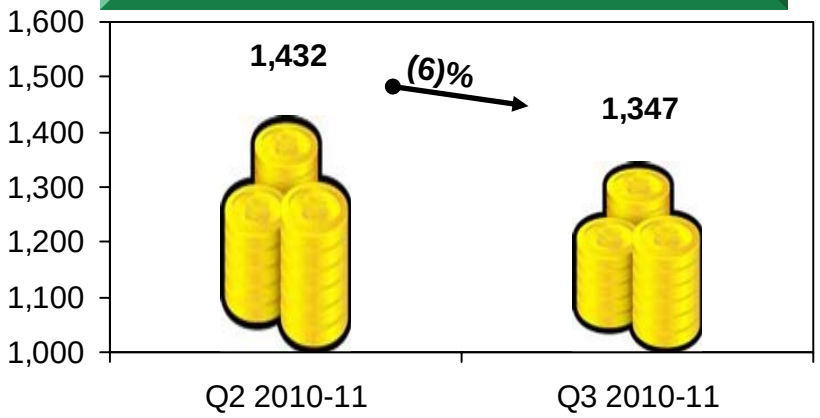
Sales (Net of ED)



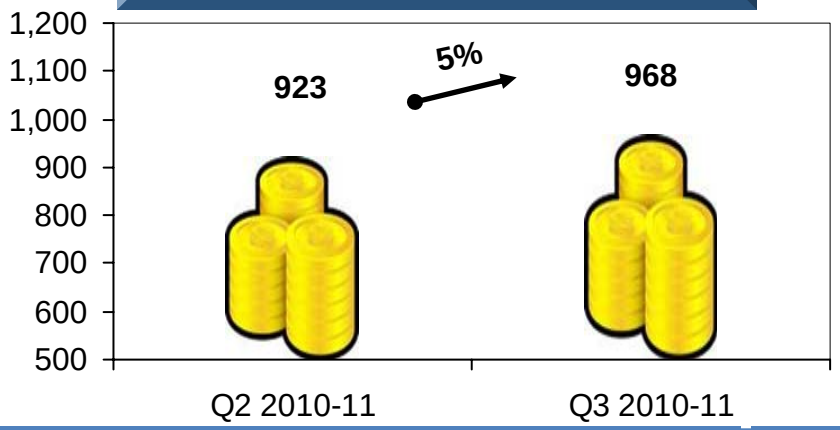
Gross Margin (EBITDA)



PBT



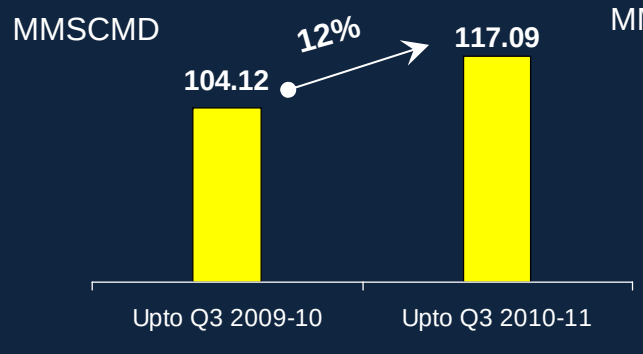
PAT



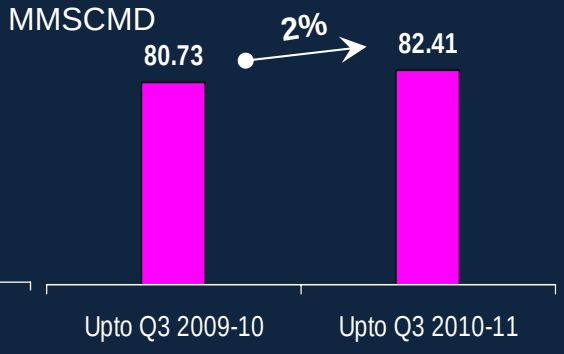
Core Business – Sustained Growth

Segmental Physical Performance
Upto Q3 FY 10-11(Sales)

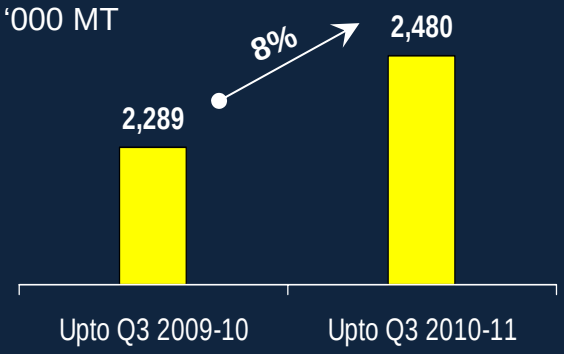
Gas Transmission



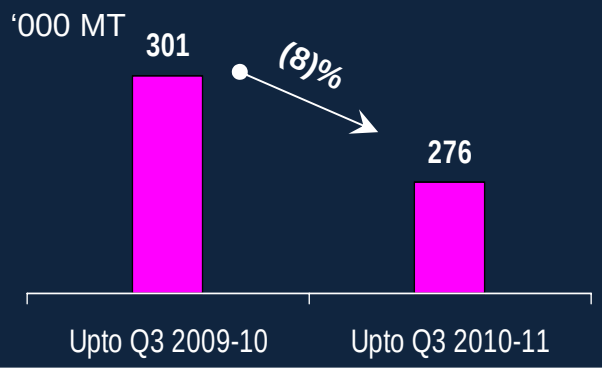
Gas Trading



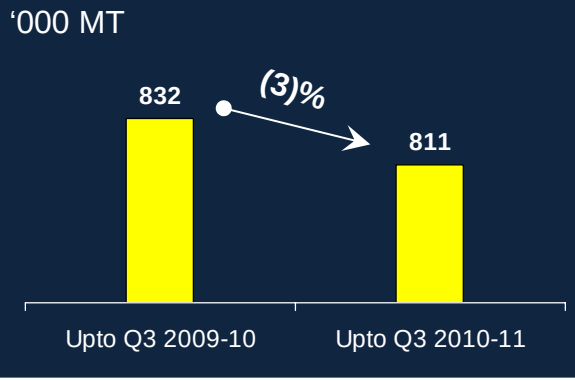
LPG Transmission



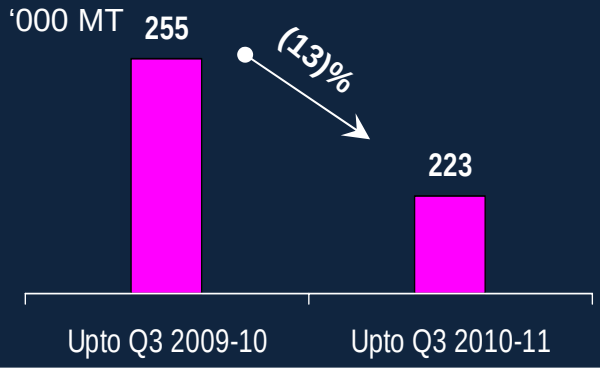
Petrochemicals



LPG



OLHC

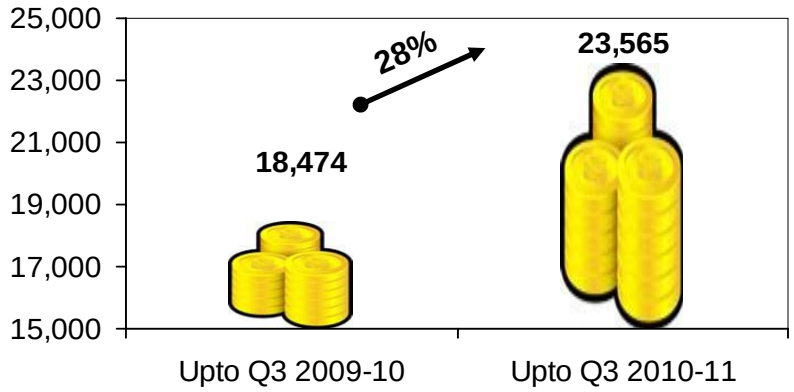


Core Business – Sustained Growth

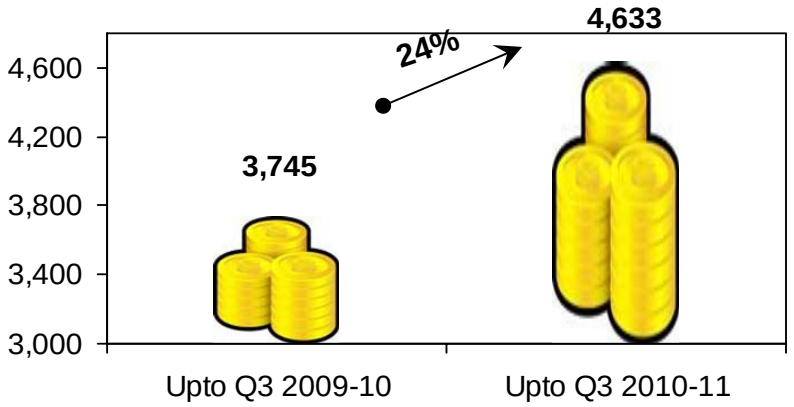
Financial Performance Upto Q3 FY 2010-11

(₹ in Crores)

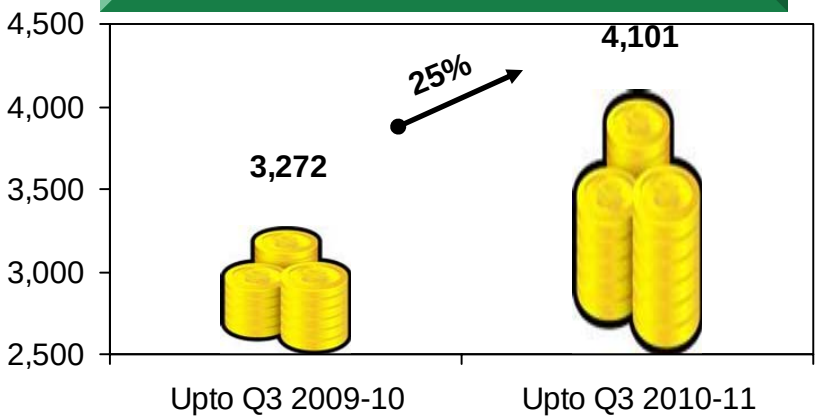
Sales (Net of ED)



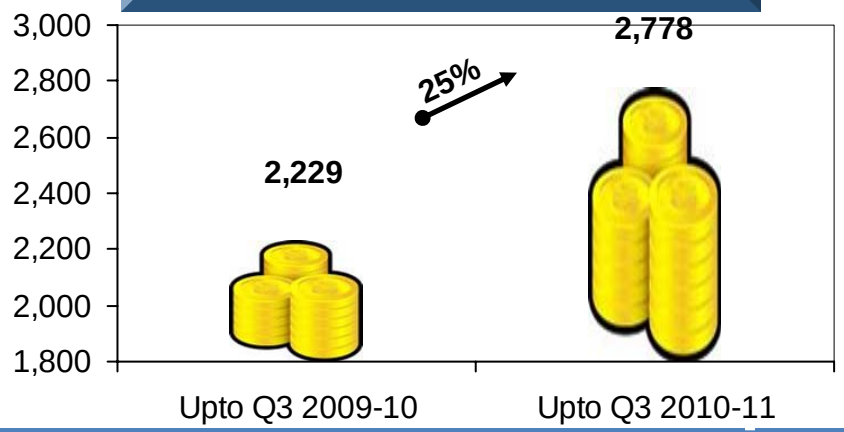
Gross Margin (EBITDA)



PBT



PAT



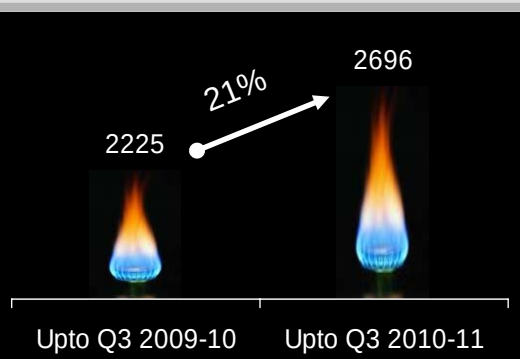
Financial Performance above 25%

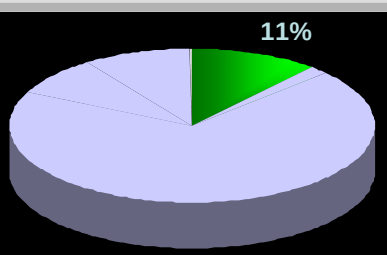
Gas Transmission Segment

- Core Business
- Doubling the Capacity
- Incremental Vol. at higher tariff
- No impact of lower RIL production

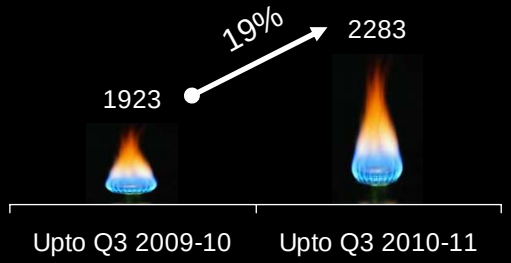
(₹ in Cr)

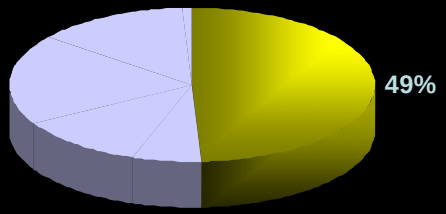
Turnover





EBITDA





India's No. 1 Gas Transmission Company

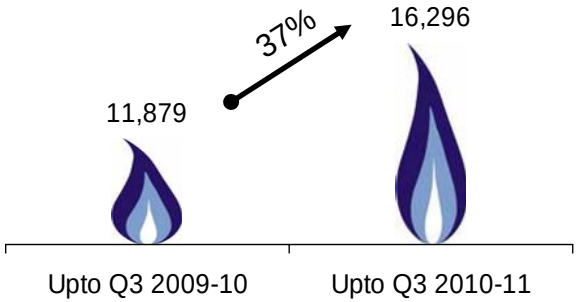
80% of India's Gas Travel through our System

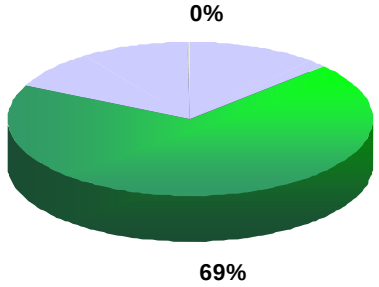
Gas Trading Segment

- Core Business
- Doubling the Capacity
- Spot RLNG to Boost Marketing Margin
- No impact of lower RIL production

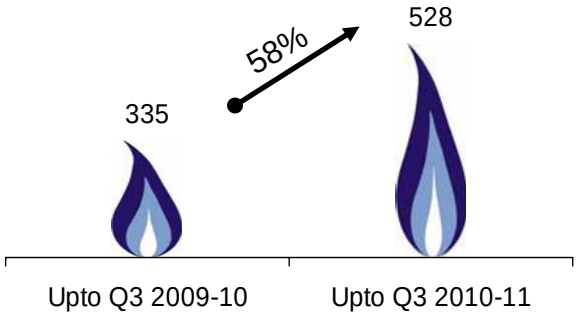
(₹ in Cr)

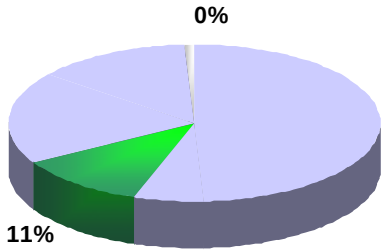
Turnover





EBITDA





India's No. 1 Gas Trading Company

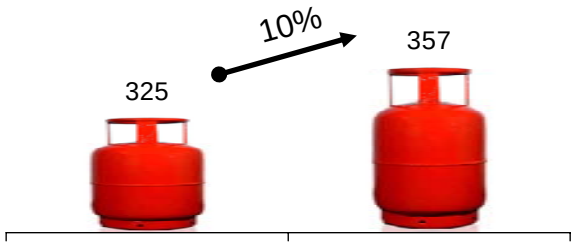
80% of India's Gas Traded by GAIL

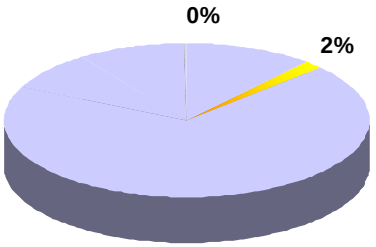
LPG Transmission Segment

- Core Business
- Transmission of LPG thro' pipelines
- Only Player in India
- Cooking LPG very robust growth

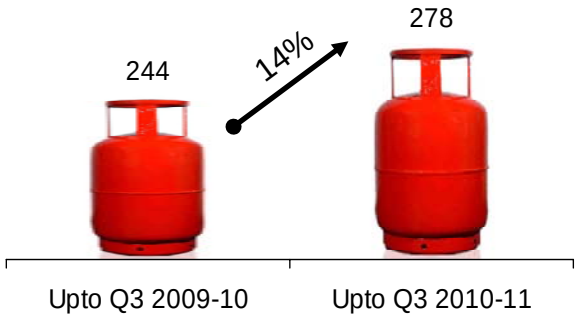
(₹ in Cr)

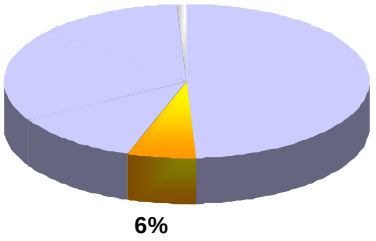
Turnover





EBITDA





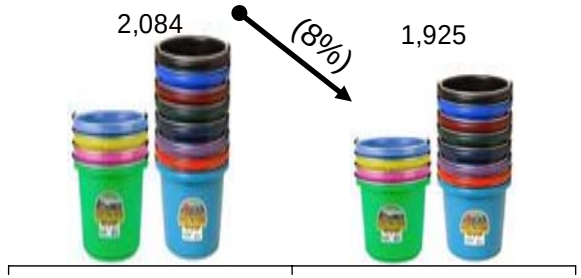
India's only Company in this Segment

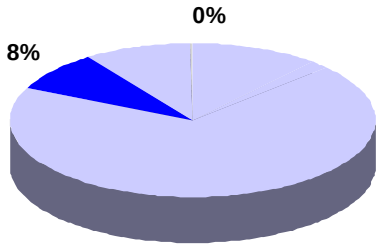
Petrochemical Segment

- Diversified into Petrochemical
- Only plant in North India
- Promoter of BCPL, & OPAL

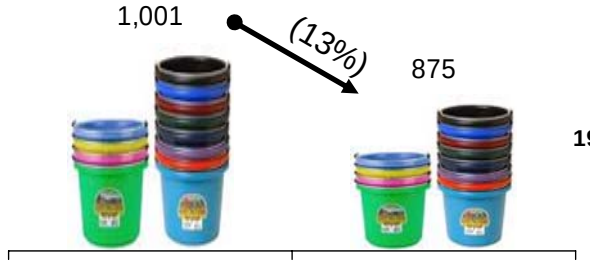
(₹ in Cr)

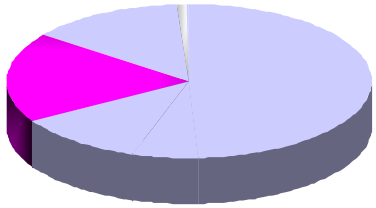
Turnover





EBITDA





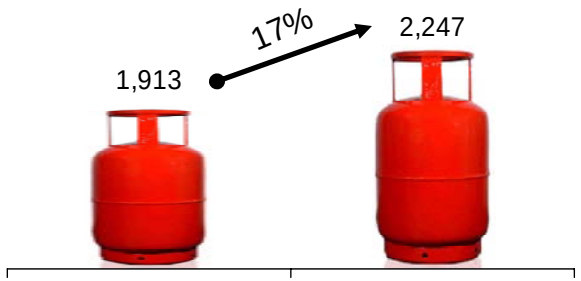
Customer Proffered Brands – Glex & Glene

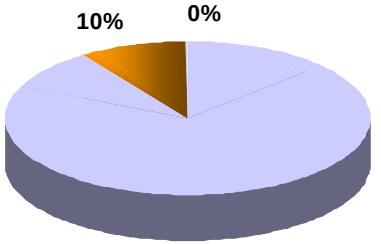
Liquid Hydrocarbon Segment

- Value addition in Gas Value Chain
- 7 Units across India
- Cap. ~ 1.4 MMTPA
- Cooking LPG very robust growth

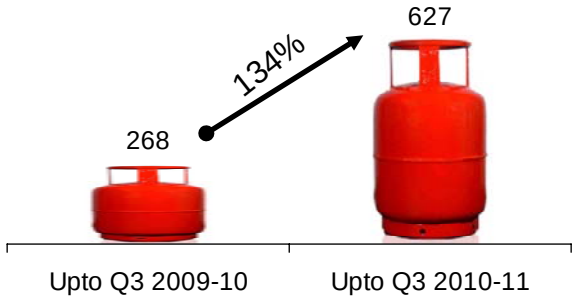
(₹ in Cr)

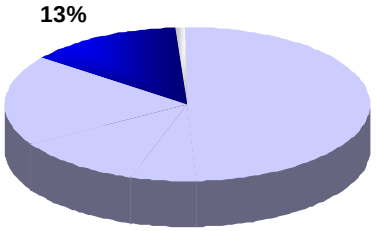
Turnover





EBITDA





Current High Product Prices will deliver the margin despite of Higher Subsidy due to High Crude Prices

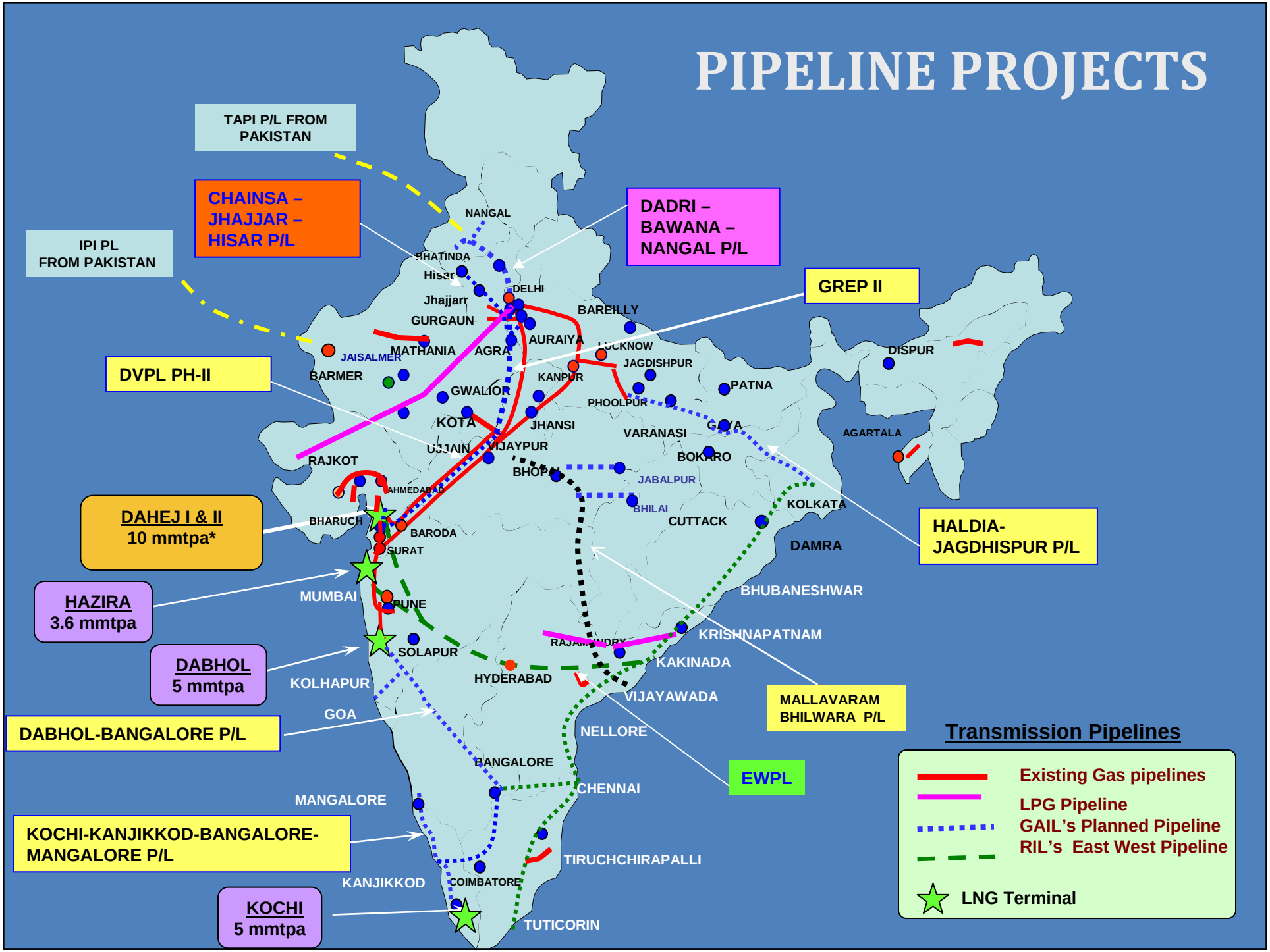
Demand Supply Gap

Sector wise Gas Demand Projection		
Sector	2010-11	2011-12
Power	115	127
Fertilizer	76	76
City Gas / CNG	15	16
Industrial	18	20
Petrochemicals/ Refineries/Internal Consumption	31	33
Sponge iron/Steel	7	8
Total	262	280

Source wise Gas Supply Projection		
Sources	2010-11	2011-12
ONGC+OIL (A)	55	51
Pvt./ JVs (As Per DGH) (B)	58	57
Projected Domestic Supply (A+B)	113	108
Total LNG Supply (C)	84	94
Total Gas Supply (A+B+C)	197	202

Source: As per working Group Report for XIth Plan

Large Demand Supply Gap – Opportunity for Growth


PIPELINE PROJECTS
TAPI P/L FROM PAKISTAN
CHAINSA – JHAJJAR – HISAR P/L
IPI PL FROM PAKISTAN
DADRI – BAWANA – NANGAL P/L
GREP II
DVPL PH-II
DAHEJ I & II
10 mmtpa*
HAZIRA
3.6 mmtpa
DABHOL
5 mmtpa
DABHOL-BANGALORE P/L
KOCHI-KANJIKKOD-BANGALORE-MANGALORE P/L
KOCHI
5 mmtpa
HALDIA-JAGDHISPUR P/L
MALLAVARAM BHILWARA P/L
EWPL
NANGAL
BHATINDA
Hisar
Jhajjarr
DELHI
GURGAUN
BAREILLY
AURAIYA
LUCKNOW
JAISALMER
MATHANIA
AGRA
BARMER
KANPUR
JAGDISHPUR
PATNA
GWALIOR
PHOOLPUR
KOTA
JHANSI
VARANASI
GAYA
UJJAIN
VIJAYPUR
BOKARO
RAJKOT
BHOPAL
JABALPUR
AHMEDABAD
BHILAI
KOLKATA
BHARUCH
CUTTACK
BARODA
SURAT
DAMRA
MUMBAI
PUNE
BHUBANESHWAR
KRISHNAPATNAM
SOLAPUR
RAJAHMUNDRY
KAKINADA
KOLHAPUR
HYDERABAD
VIJAYAWADA
GOA
NELLORE
BANGALORE
CHENNAI
MANGALORE
TIRUCHCHIRAPALLI
KANJIKKOD
COIMBATORE
TUTICORIN
DISPUR
AGARTALA
Transmission Pipelines
Existing Gas pipelines
LPG Pipeline
GAIL's Planned Pipeline
RIL's East West Pipeline
LNG Terminal

New Pipeline Capacity Built-up

Pipeline Projects	Approved Cost (` Cr)	Capacity (MMSCMD)	Length (KM)	Completion Schedule (Status)
DVPL PIPELINES – PHASE II Incl. compressor at Jhabua & Vijaipur	5837	24 to 78	610	June 2011 (One compressor at Jabhua and Vijaipur commissioned)
VIJAIPUR DADRI PIPELINES (Incl. Compressor at Kailaras & Chainsa)	4927	20 to 80	499	June 2011 (Vijaipur- Dadri Pipeline commissioned -Jan' 2010 , compressor stations remaining)
DADRI-BAWANA-NANGAL PIPELINE	2358	31	594	August 2011 (Comm. Upto Bawana- Mar 10)
CHAINSA-JHAJJAR-HISSAR PIPELINE	1315	35	349	April 2011 (Comm.upto Sultanpur on mar -10 and Neemrana on Sept 10) @
JAGDISHPUR-HALDIA PIPELINE	7596	32	2050	On hold
DHABOL-BANGALORE PIPELINE	4994	16	1414	Phase I – March 2012 Phase II – December 2012
KOCHI-KOOTTANAD-MANGALORE / BANGALORE	3263	16	1126	Phase I – March 2012 Phase II – December 2012
TOTAL	30311		6642	

@ Supply to Khuskhera, Dahruhera, Neemrana, Manesar region started, bhiwadi is to be connected.

Planned Capex to tap the Opportunity

New Spur Pipelines Capacity Built-up

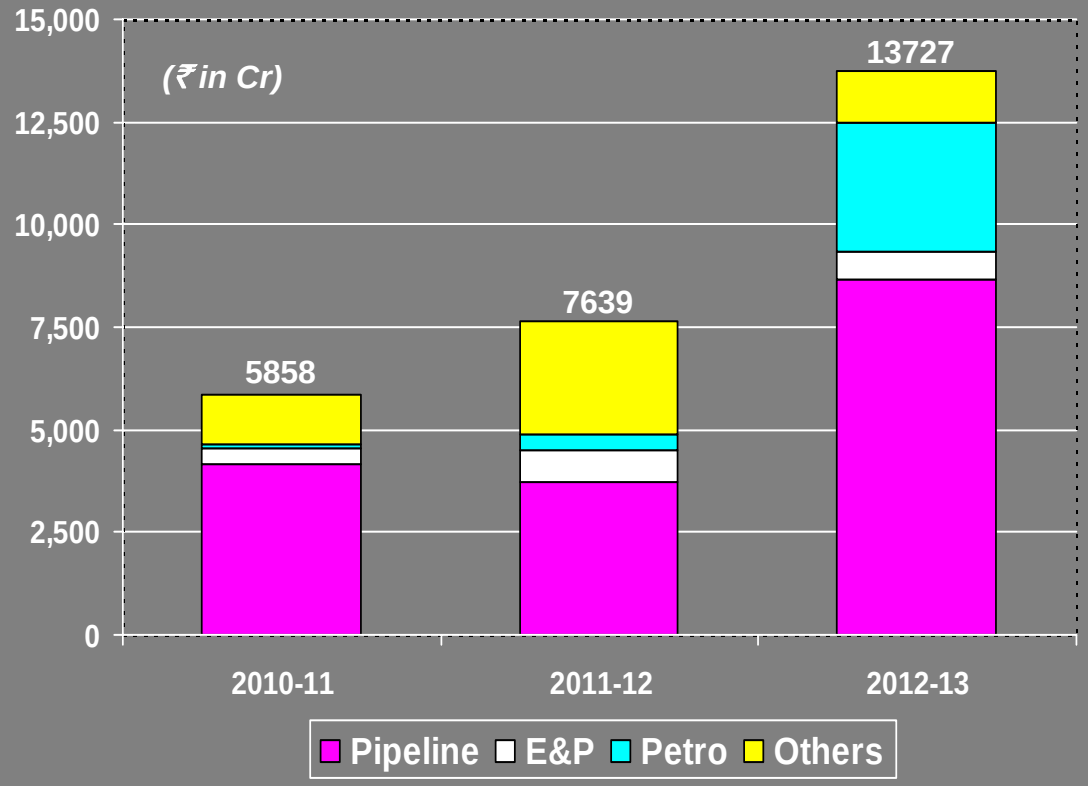
Pipeline Projects	Approved Cost (₹ Cr)	Capacity (MMSCMD)	Length (KM)
Karanpur Moradabad Kashipur Rudrapur pipeline	252	2.5	185
Focus energy Consortium to RRUVNL (Ramgarh Terminal)	99	1.2	90
Capacity Augmentation of Agra & Ferozabad Region	200	1.25 to 2.75	71
Vijaipur Kota Pipeline Upgradation and laying of Spurlines (to Bhilwada & Chittorgarh)	463	2	290
Bawana Nangal spurlines (Uttrakhand & Punjab)	541	4	270
TOTAL	1555		906

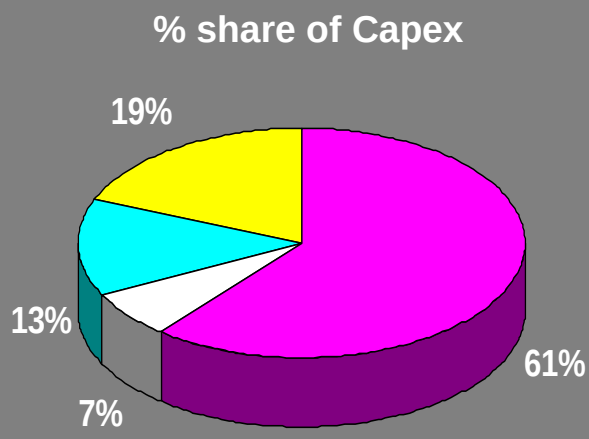
Planned Capex to tap the Opportunity

Projected Capex

Planned Capex from 2010-11 to 2012-13

₹27,224 Cr



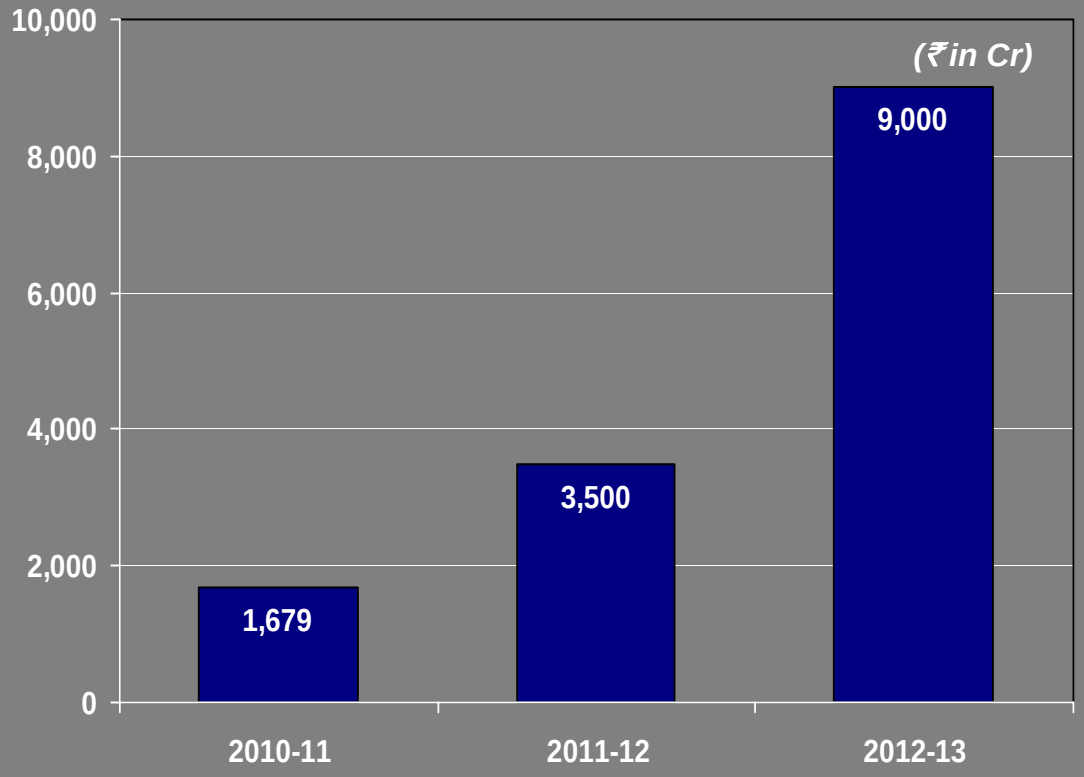


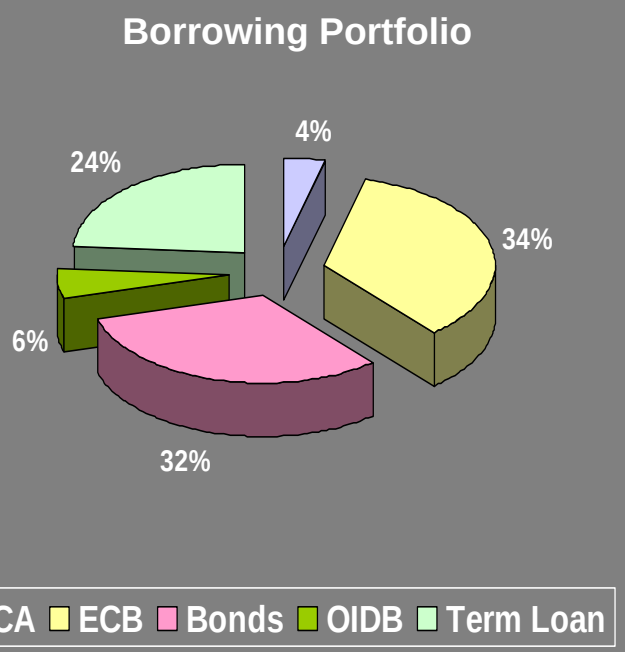
GAIL has a history of Excellent Project Management to execute the Project within given time frame and without cost over run

Expected Capex Funding

Planned Borrowings from 2010-11 to 2012-13

~₹14,179 Cr





Aggressive Capex Plan calls for Borrowings (Domestic & International)

Leverage on GAIL's very low debt Equity ratio (0.11:1) as on 31.12.2010

Total Blocks	29
Onshore Blocks	8
Offshore Blocks	Deep 15 & Shallow - 5
CBM Blocks	1 (Dewatering in progress)
Major Operators	ONGC, GSPC, Daewoo, Petrogas, Hardy, Eni, Jubilant, Dart Energy
Net investment	₹2221 Cr (upto 31.12.2010)
Hydrocarbons Discoveries where appraisal & Development activities are in progress	Hydrocarbons Discoveries Made in 8 Blocks : Cambay onland, A1& A3 blocks (Myanmar), Mahanadi offshore, Ankleshwar onland, Cauvery Onland and offshore & Tripura Onland
Operator in 2 blocks	RJ-ONN-2004/1 (NELPVI) & CY-ONN-2005/1 (NELP VII)
Commercial Block	Crude oil from Cambay Basin

E&P Activities

GAIL's Future

	FY 2009-10	FY 2013-14
NG Trans Pipeline (KM)	7000 +	14000 +
NG Trans Capacity (MMSCMD)	150 +	300 +
Polymer Capacity (incl BCPL) (MMT)	~0.4	~0.8 *(1.2 in FY 14-15)*
E&P Revenue Generating Blocks (Nos.)	1	3 *(5 in FY 14-15)*
Retail Gas Presence (No of Cities)	15	~50

Planned Growth

Growth Drivers from FY 10-11 onwards

- **Additional Gas availability:**
  - ***Incremental RIL KG Basin Gas***
  - ***Dabhol – RLNG***
  - ***Additional Volumes from new explorations Blocks***
  - ***ONGC – Natural Gas Supply from marginal fields***
  - ***FOCUS ENERGY – Natural Gas Supply from Rajasthan field***
  - ***Long-term / Mid Term LNG tie-ups***
  - ***Spot LNG – ongoing basis***
- **Upside in Polymer/Liquid Hydrocarbon Product Prices**
- **Foray into Power Sector**

Visible Growth drivers

Growth Drivers from FY 10-11 onwards

- *Petrochemical Business Segment:*
  - *Enhanced Pata Petrochemical Production from Q3 of FY 10-11 onwards*
  - *Completion of BCPL project of 0.28 MMTPA by April 2012*
  - *Pata Expansion to 0.9 MMTPA by 2013-14*
  - *Participation in OPaL, Dahej Project with ONGC – 1.1 mmtpa ethylene capacity (38% Marketing share by GAIL)*
  - *Exploring setting up / participation in Petrochemical projects overseas*
- *City gas Distribution (CGD)*
  - *8 JVs already opertaional*
  - *GAIL Gas Ltd, a 100% Subsidary incorporated*
    - *PNGRB Authorized GAIL Gas for Four CGD projects*
  - *More than 230 cities identified for CGD in a phased manner.*

Visible Growth drivers

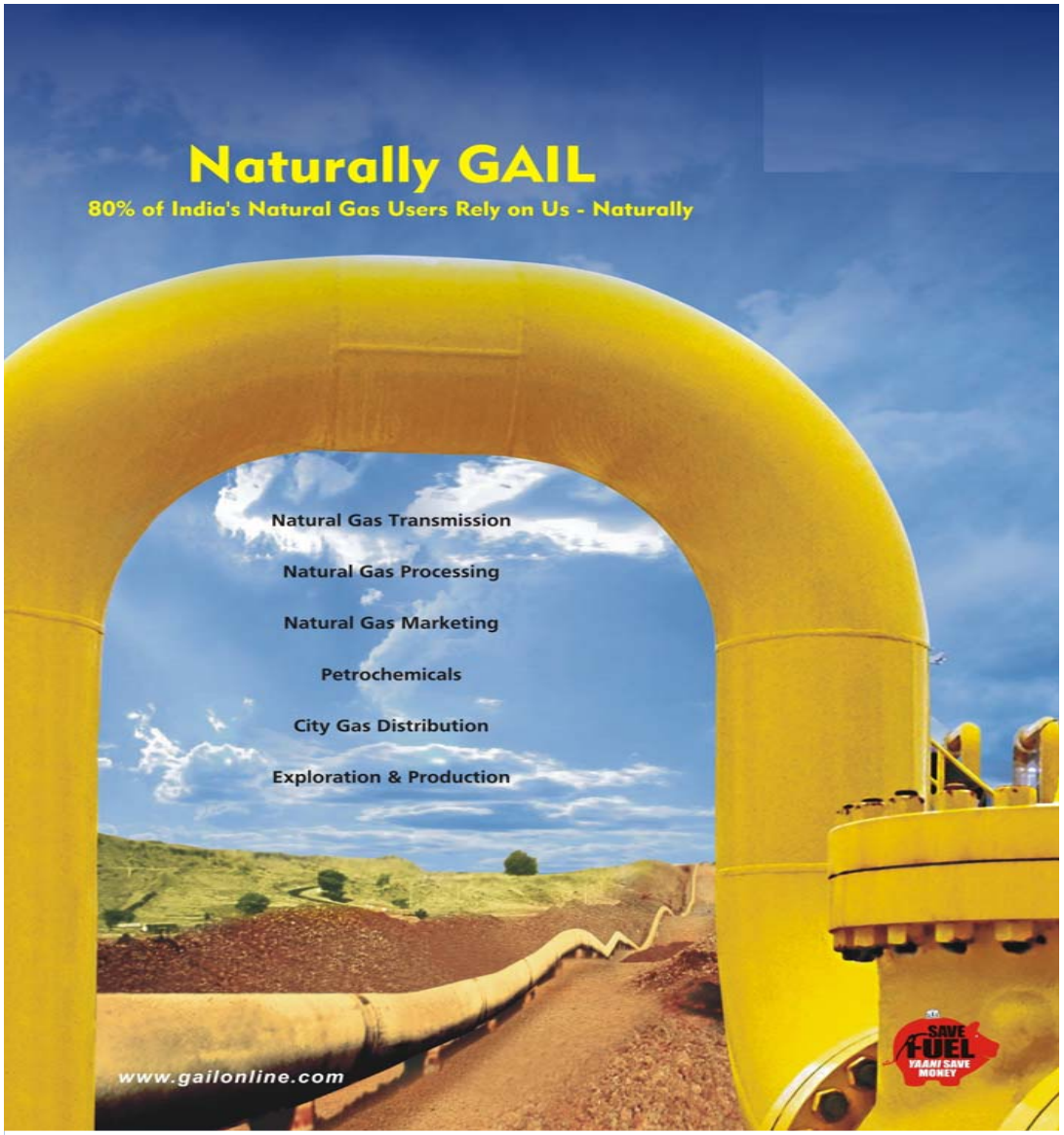
- Oil Industry Safety Award - 1st rank under Other Processing Plant category
- Dahej-Panvel-Dabhol pipeline project awarded 3rd position in IPMA project excellence award 2009
- Oil and Gas Transportation Company for the year 2007-08 by Petrofed
- Safety Innovation Award 2008 for excellence in innovative safety measures
- Ranked 2nd among gas utilities in Asia in the Platts Global Ranking of Energy Companies.
- Top Indian company in the Gas-Processing, Distribution and Marketing Sector for the Dun & Bradstreet Corporate – Rolta Corporate Awards 2008.
- Most Diversified PSU in the country from Dalal Street Investment Journal.
- Ranked among the Forbes 2000 companies.
- Amity Award for excellence in Human Resources.
- National Award for Excellence in Cost Management from The Institute of Cost and Works Accountants of India (ICWAI)
- International Safety award from British Safety Council

Most Recent Laurels

GAIL (India) Ltd.

- Strong Financials
- Strong GoI Support
- Relatively New Assets
- Strong Gas Demand
- Large Capex Plans in Place
- Dominant Position - Transmission

Naturally GAIL



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GAIL

GAIL (India) Limited

Thank You