



गैल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम-
एक नवरात्रि कम्पनी)

GAIL (India) Limited

(A Government of India Undertaking-
A Navratna Company)

ND/GAIL/SECTT/2011

June 9, 2011

Listing Department
Bombay Stock Exchange Limited
Floor 1, P.J.Towers, Dalal Street,
Mumbai – 400 001

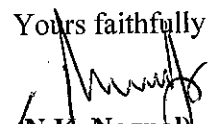
Dear Sir,

Enclosed please find a copy of Press Releases regarding “**KSIIDC and GAIL (India) Limited sign Joint Venture Agreement.**”

The above is for your information and record please.

Thanking you

Yours faithfully


(N.K. Nagpal)
Company Secretary

Encl: As above.

Copy to:

1. Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No C/1, G Block, Bandra-Kurla Complex,
Bandra (East),
MUMBAI – 400 051
2. Deutsche Bank
Kodak House, 1st Floor,
222 Dr. D N Road,
Mumbai - 400 001

PRESS RELEASE

KSIIDC and GAIL (India) Limited sign Joint Venture Agreement – A step towards Piped gas to homes and CNG driven vehicles in Bangalore City

Bengaluru, June 8 2011: Karnataka State Industrial & Infrastructure Development Corporation Ltd (KSIIDC) and GAIL (India) Limited today signed a Joint Venture Agreement to jointly pursue various natural gas related business activities in Karnataka. Dr. Raj Kumar Khatri, IAS, Managing Director, Karnataka State Industrial & Infrastructure Development Corporation Ltd (KSIIDC) and Shri J Wason, Executive Director (Marketing), GAIL (India) Limited, signed the agreement in the presence of Shri S. V. Ranganath, IAS, Chief Secretary, Government of Karnataka and other senior officers of the Government of Karnataka and GAIL

The Joint Venture Agreement will lead to the formation of a Joint Venture Company which will have an authorized share capital of Rs 100 crore. GAIL will hold 26 per cent equity in the company, while KSIIDC will have 24 per cent. The balance 50 per cent equity will be held by Financial Institutions, Investors and strategic partners.

KSIIDC has the in-depth knowledge of the industrial sector in the state, experience in promoting and nurturing business ventures and the mandate to pursue the stated objectives of state government while GAIL brings along expertise, know-how, skilled manpower and its gas sourcing capabilities to this venture, .

The Joint Venture Company will focus on setting up of Natural Gas infrastructure in industrial estates/areas/clusters, City Gas Distribution (CGD) networks, Distributed Power Generation projects in industrial areas and gas distribution infrastructure downstream of trunk lines in the state of Karnataka. CGD networks cater to the requirement of piped gas for homes, CNG for vehicles and fuel for commercial/industrial loads within any city in Karnataka

With the signing of the joint venture agreement, both the promoters expect that there would be a dedicated thrust for various natural gas related business activities in Karnataka and the projects would be completed on a fast track basis to facilitate the fulfilment of the city gas requirement in Karnataka.

GAIL is implementing the 1,413 km Dabhol (Maharashtra) -Bengaluru (Karnataka) pipeline at an investment of Rs. 5000 Crore with a design capacity of 16 MMSCMD. GAIL is also implementing the 1,114 km Kochi – Koottanad – Mangalore - Bengaluru pipeline, at an investment of Rs. 3300 Crore with a design capacity of 16 MMSCMD. Both these pipelines are scheduled to be completed by FY 2012-13