

Naturally GAIL

80% of India's Natural Gas Users Rely on Us - Naturally

Natural Gas Transmission

Natural Gas Processing

Natural Gas Marketing

Petrochemicals

City Gas Distribution

Exploration & Production

www.gailonline.com



GAIL (India) Limited



Analyst Presentation FY 2010-11

2nd June 2011

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Safe Harbor Statement



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 D Goyal
Director (Proj)



Sh S L Raina
Director (HR)



Sh Prabhat Singh
Director (Mktg)



Sh S Venkatraman
Director (BD)



Sh P K Jain
Director (Fin)

Government Nominee / Independent Directors



**Sh Sudhir
Bhargava**



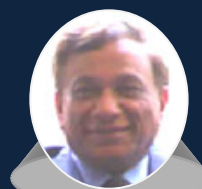
**Sh Apurva
Chandra**



**Dr. Vinayshil
Gautam**



Sh R M Sethi



**Sh Mahesh
Shah**



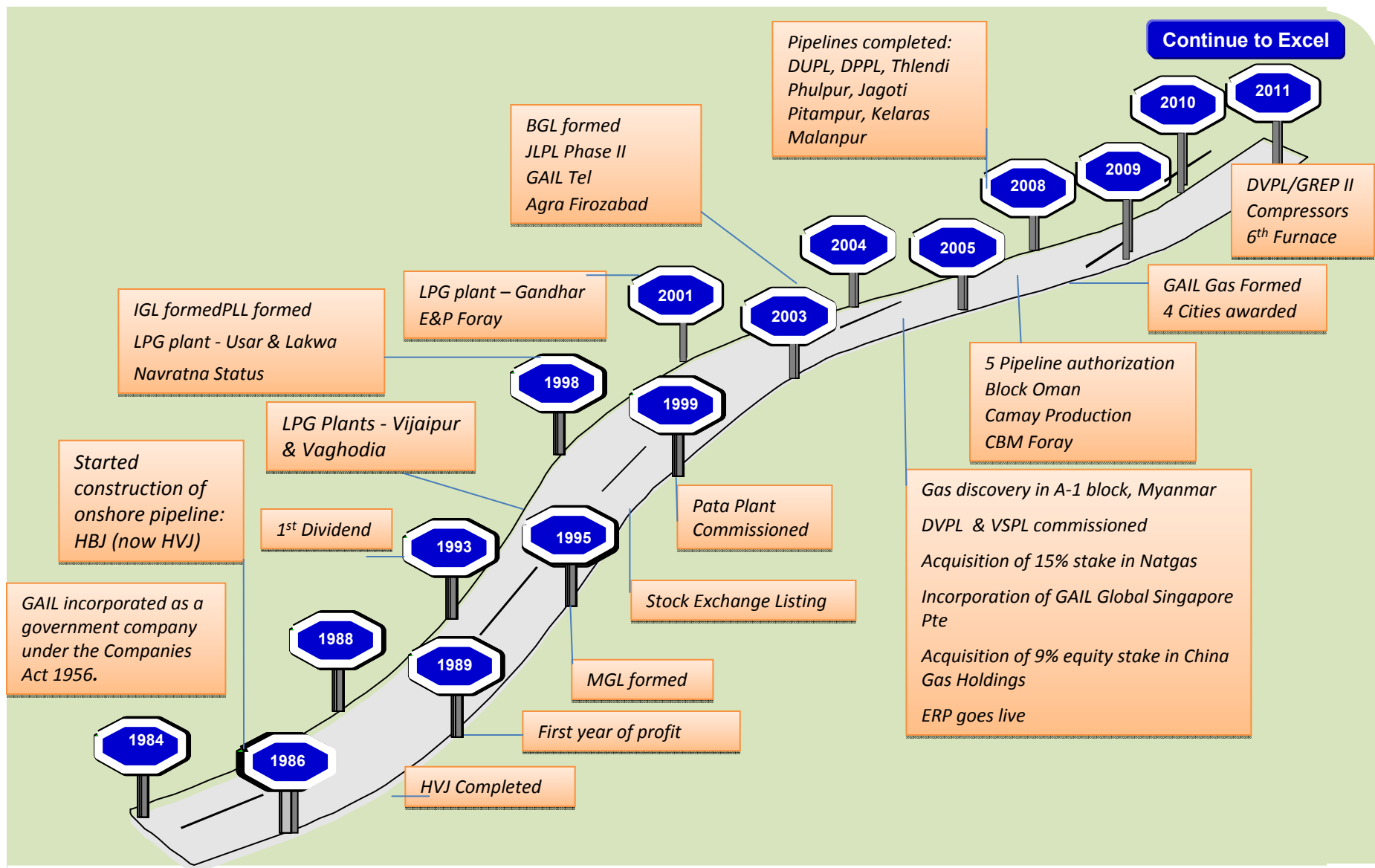
**Prof. A.Q.
Contractor**



**Sh Arun
Aganrwal**

GAIL Management





Major Milestones



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

14%+

10 Years Turnover CAGR

12%+

10 Years PAT CAGR

3800+

Manpower Asset

Quick facts



170 MMSCMD+

Gas Transmission Capacity

1.4+ MMT

LHC Production Capacity

450+ TMT

Polymer Production Capacity

28

E&P/CBM Blocks

2

100% Subsidiary

Presence in 4 Countries

20

JVs/Associate/Subsidiary Companies

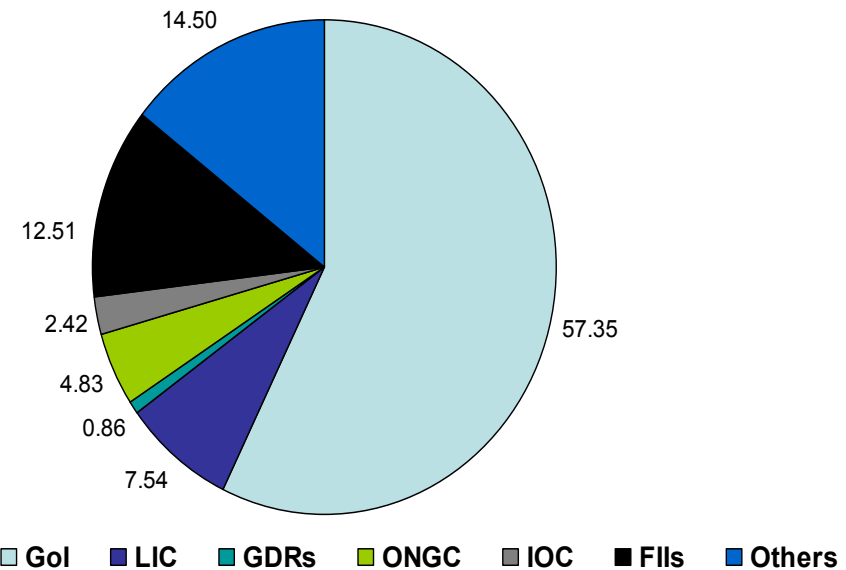
Quick facts



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%.



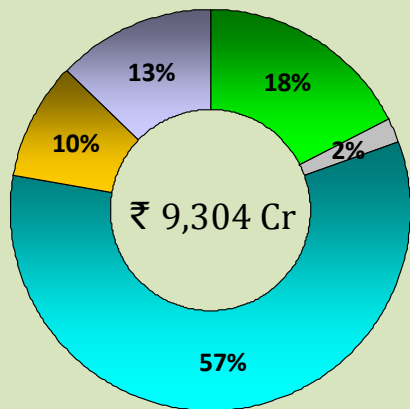
Shareholding patterns as on 31.03.2011

Shareholding Pattern

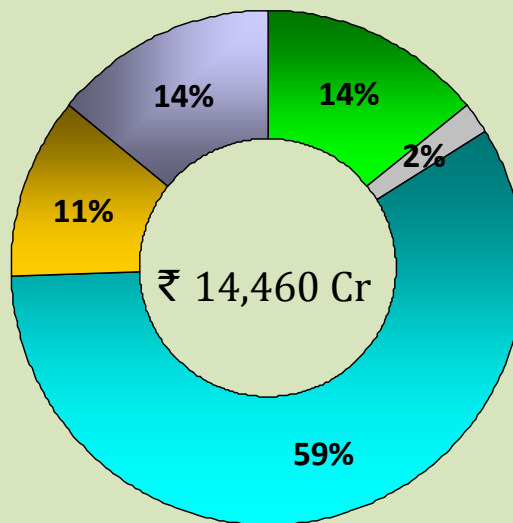


Turnover Trend

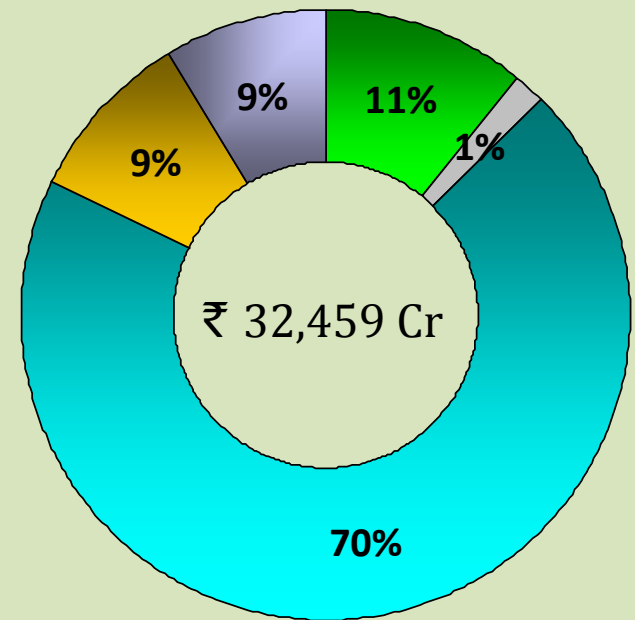
FY 2001-02



FY 2005-06



FY 2010-11



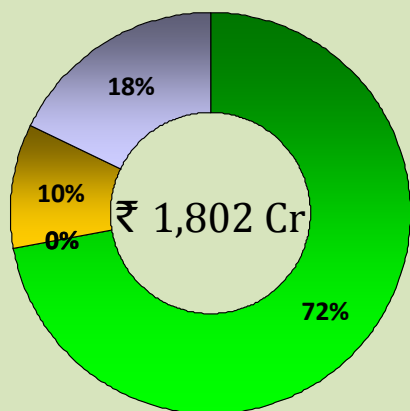
■ NG Trans ■ LPG Trans ■ NG Trading ■ Petro ■ OLHC

10 Year CAGR - 14%

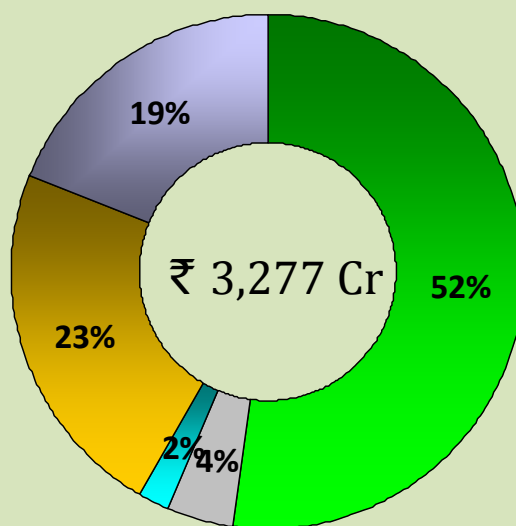


Profit (PBT) Trend

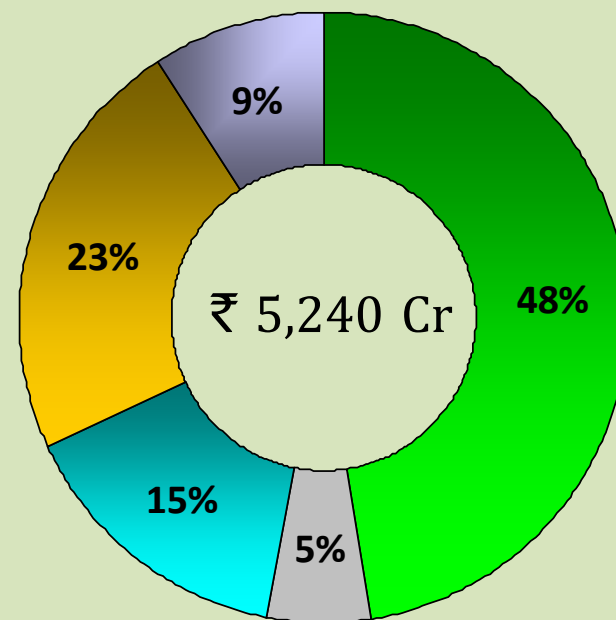
FY 2001-02



FY 2005-06



FY 2010-11



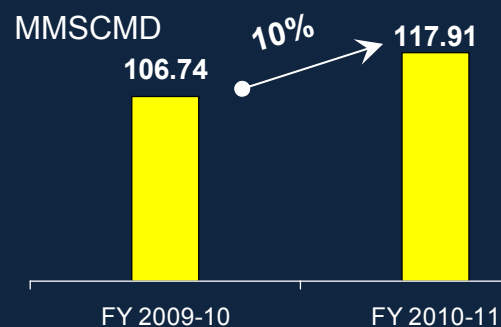
■ NG Trans ■ LPG Trans ■ NG Trading ■ Petro ■ OLHC

10 Year CAGR - 12%

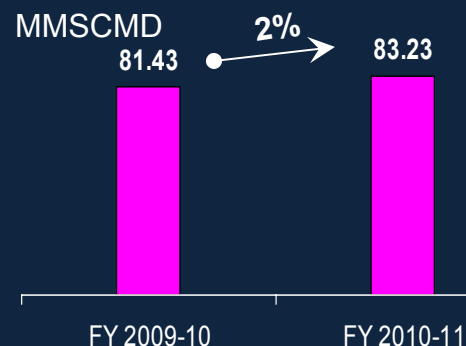


Segmental Physical Performance FY 10-11(Sales)

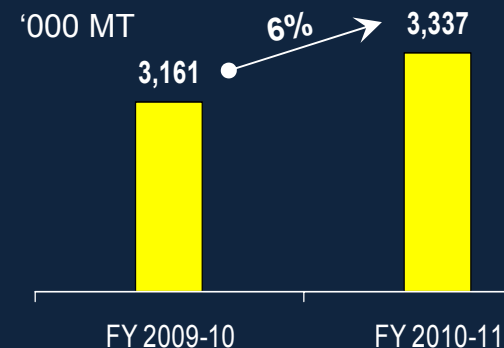
Gas Transmission



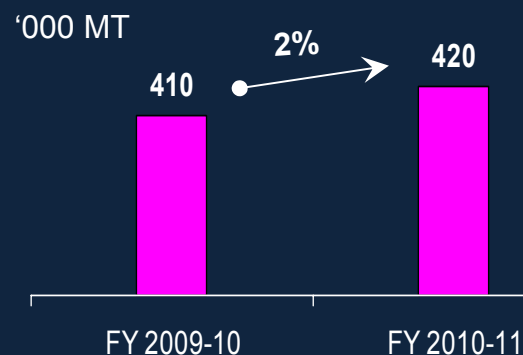
Gas Trading



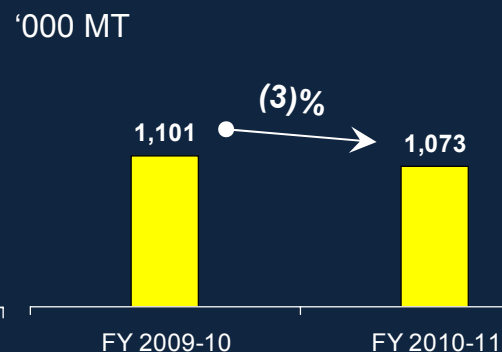
LPG Transmission



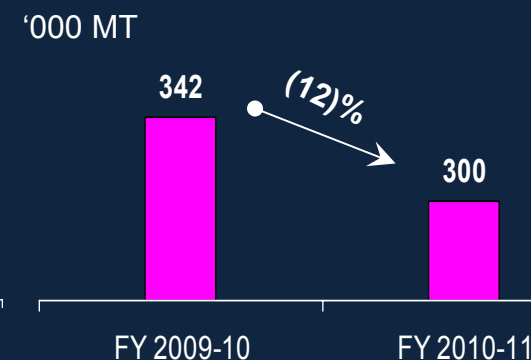
Petrochemicals



LPG



OLHC



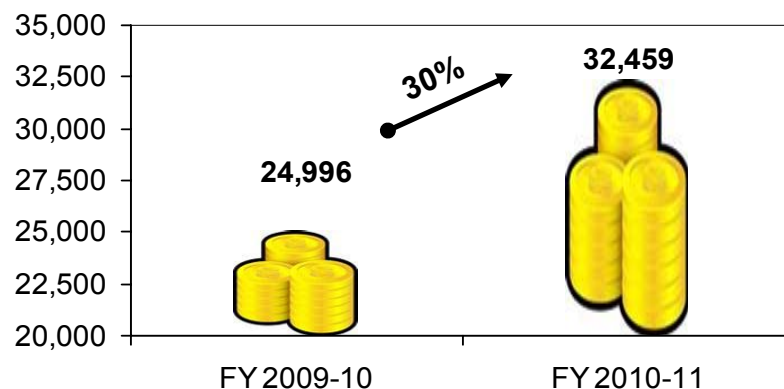
Core Business – Sustained Growth



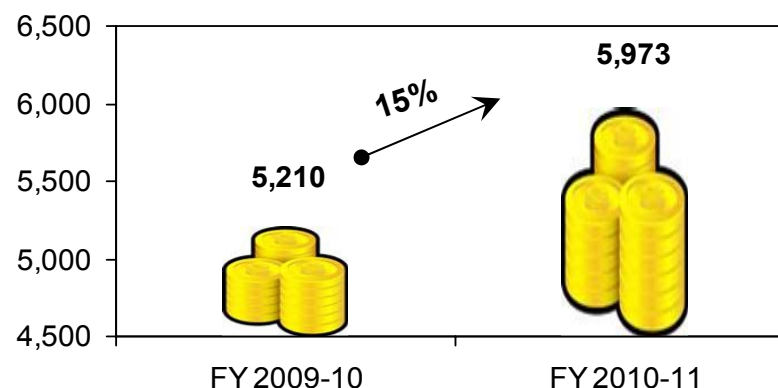
Financial Performance FY 2010-11

(₹ in Crores)

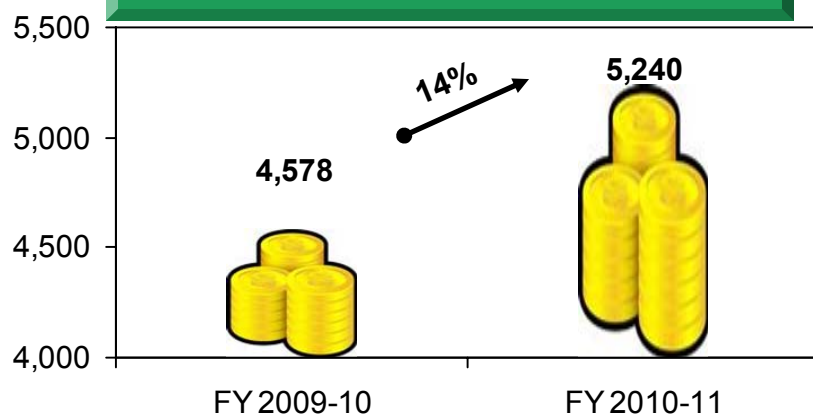
Sales (Net of ED)



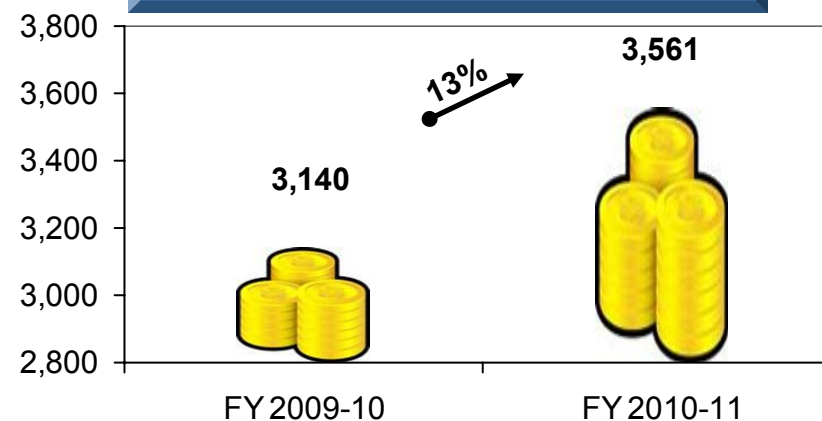
Gross Margin (EBITDA)



PBT



PAT

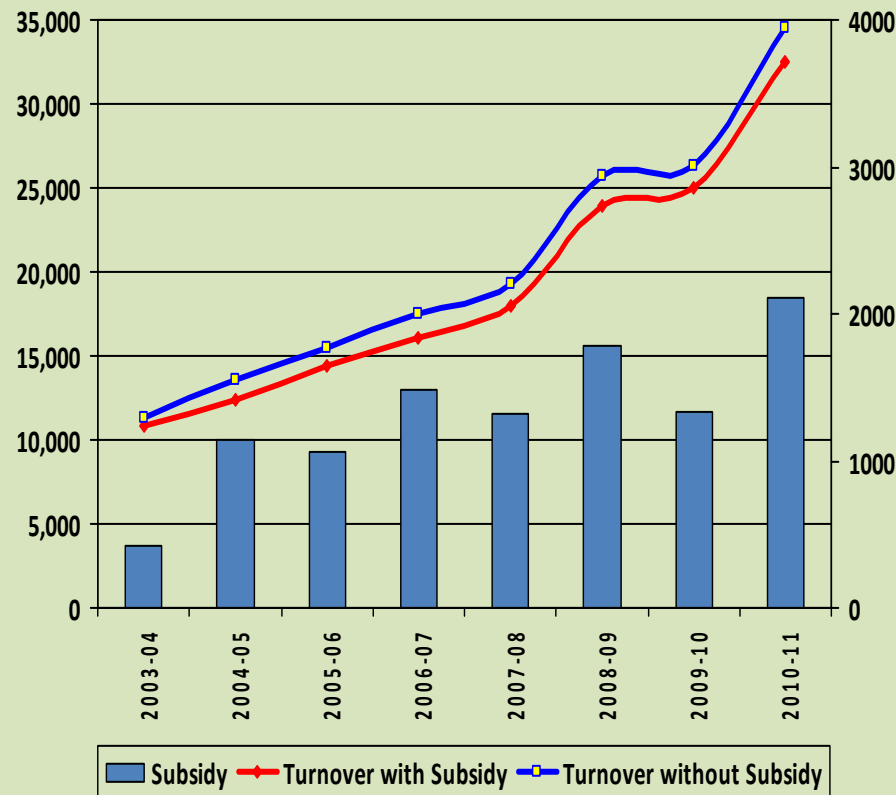


**Highest ever Subsidy –
Rs. 2111 Cr. in FY 2010-11**



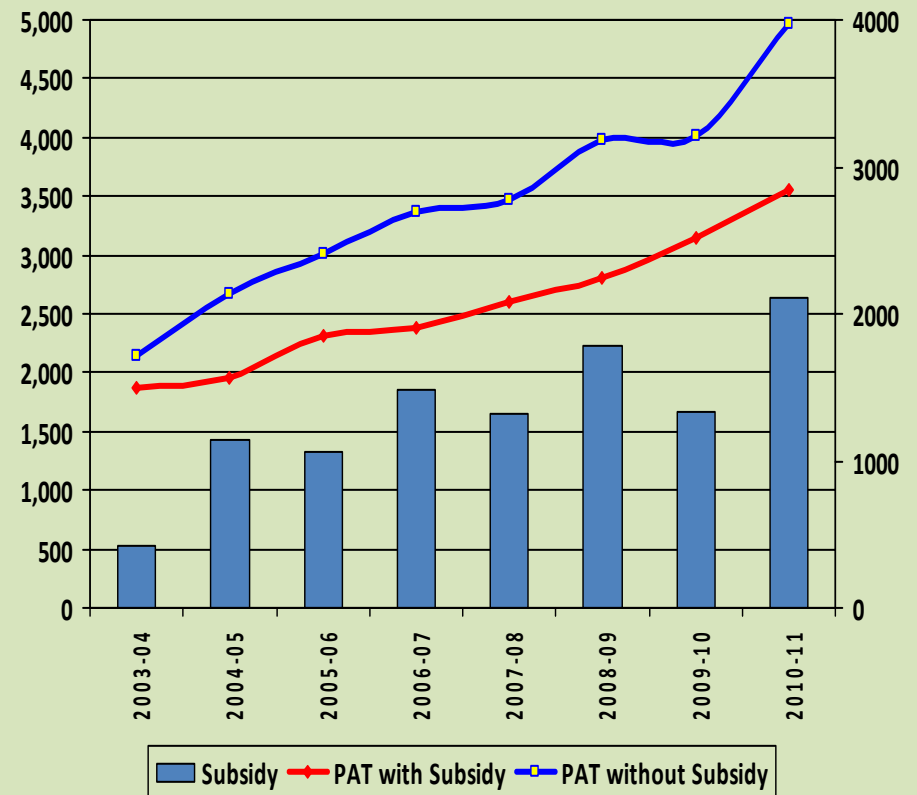
Financials – With & Without Subsidy

Turnover



PAT

(₹ in Cr)



FY 2010 – 11 vs. FY 2009-10

Turnover with Subsidy - ₹ 32459 Cr. (30% ↑ YoY)

Turnover without Subsidy - ₹ 34570 Cr. (31% ↑ YoY)

PAT with Subsidy - ₹ 3561 Cr. (13% ↑ YoY)

PAT without Subsidy - ₹ 4971 Cr. (24% ↑ YoY)

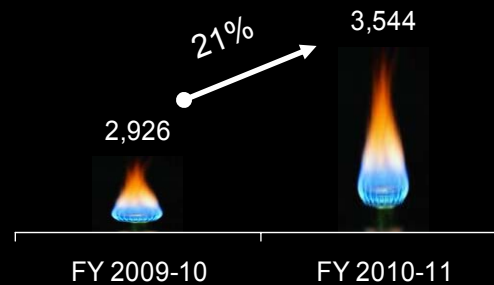
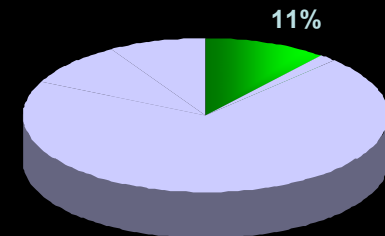


Gas Transmission Segment

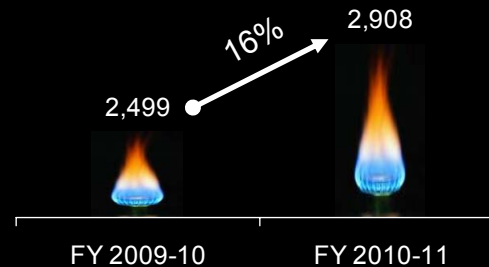
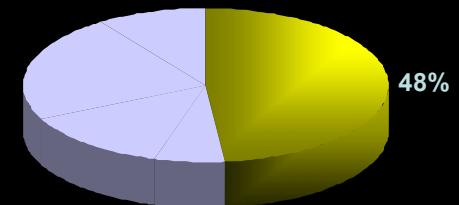
- Core Business
- Doubling the Capacity
- Incremental Vol. at higher tariff
- No impact of lower RIL production

(₹ in Cr)

Turnover



EBITDA



India's No. 1 Gas Transmission Company
75% of India's Gas Travel through our System

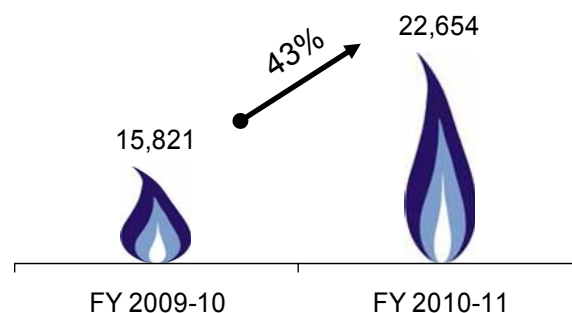
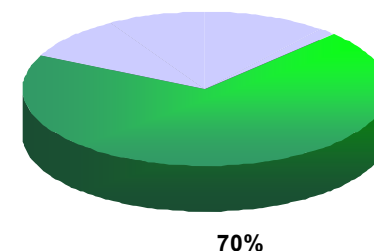


Gas Trading Segment

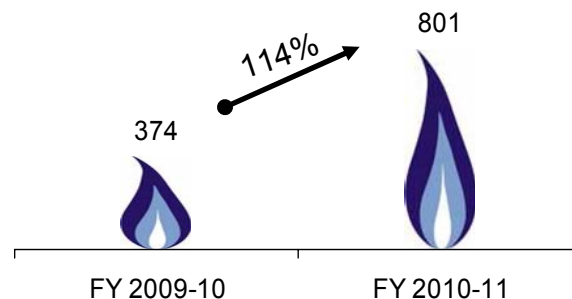
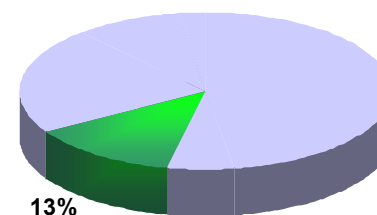
- Core Business
- Doubling the Capacity
- Marketing Margin on APM Gas
- Spot RLNG to Boost Marketing Margin

(₹ in Cr)

Turnover



EBITDA



India's No. 1 Gas Trading Company
Over 50% of India's Gas Traded by GAIL



LPG Transmission Segment

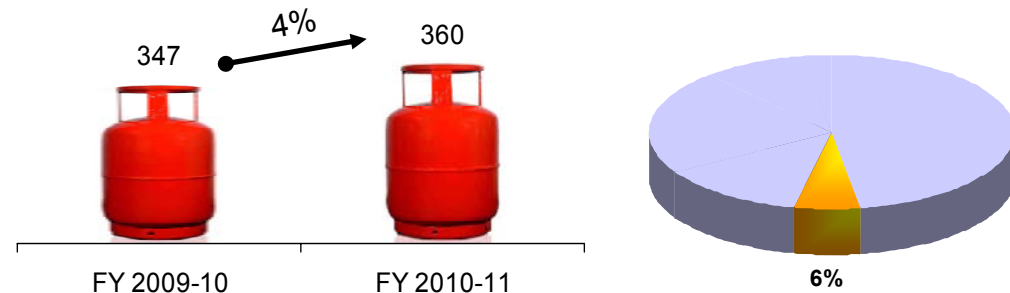
- Core Business
- Transmission of LPG thro' pipelines
- Only Player in India
- Cooking LPG very robust growth

(₹ in Cr)

Turnover



EBITDA



Pipeline Transmission of around 1/4th of the Country's total LPG

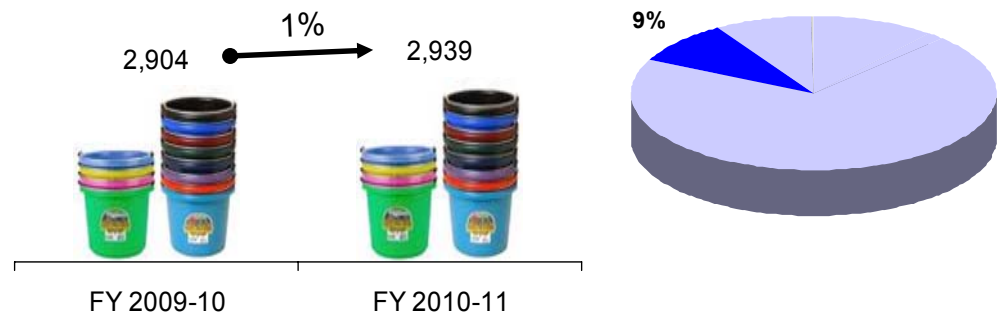


Petrochemical Segment

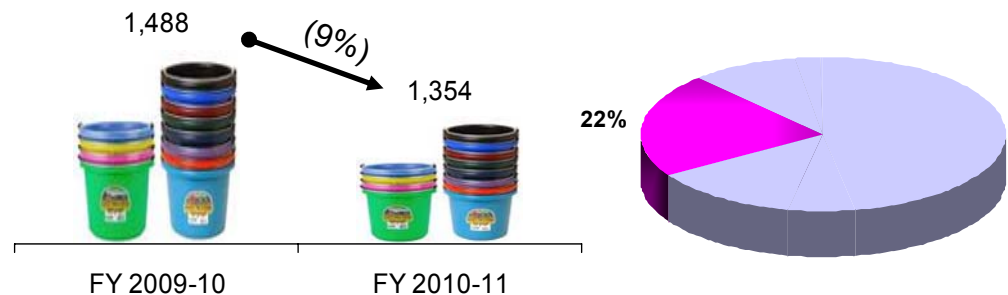
- Diversified into Petrochemical
- Only Gas based plant in North India
- Promoter of BCPL, & OPAL

(₹ in Cr)

Turnover



EBITDA



Customer Preferred Brands –
Glex & Glene

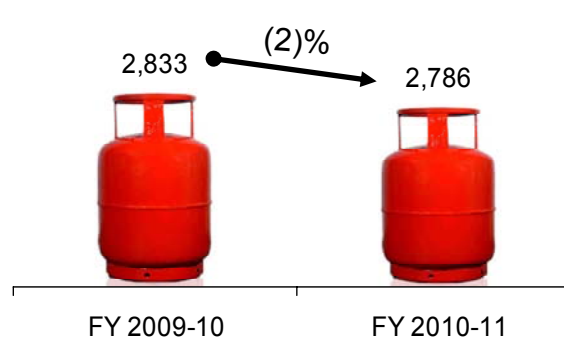
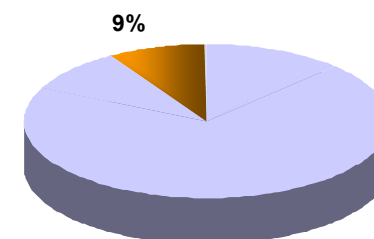


Liquid Hydrocarbon Segment

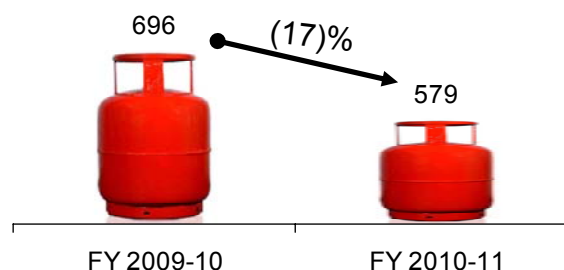
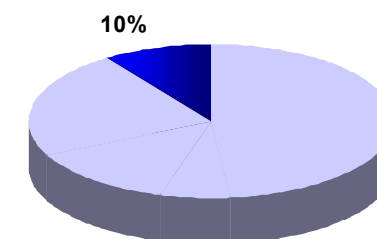
- Value addition in Gas Value Chain
- 7 Processing Plants across India
- Cap. ~ 1.4 MMTPA
- Cooking LPG very robust growth

(₹ in Cr)

Turnover



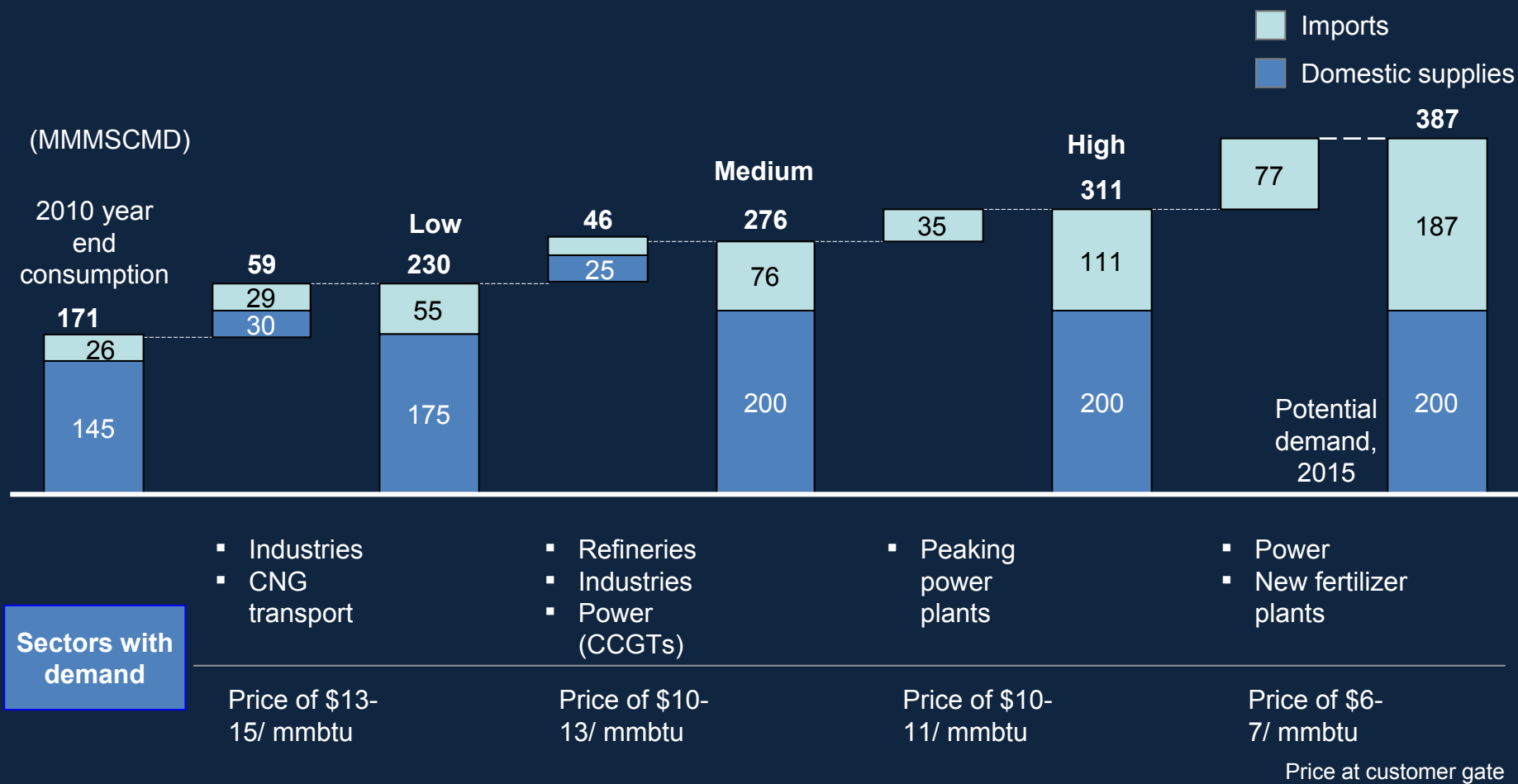
EBITDA



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



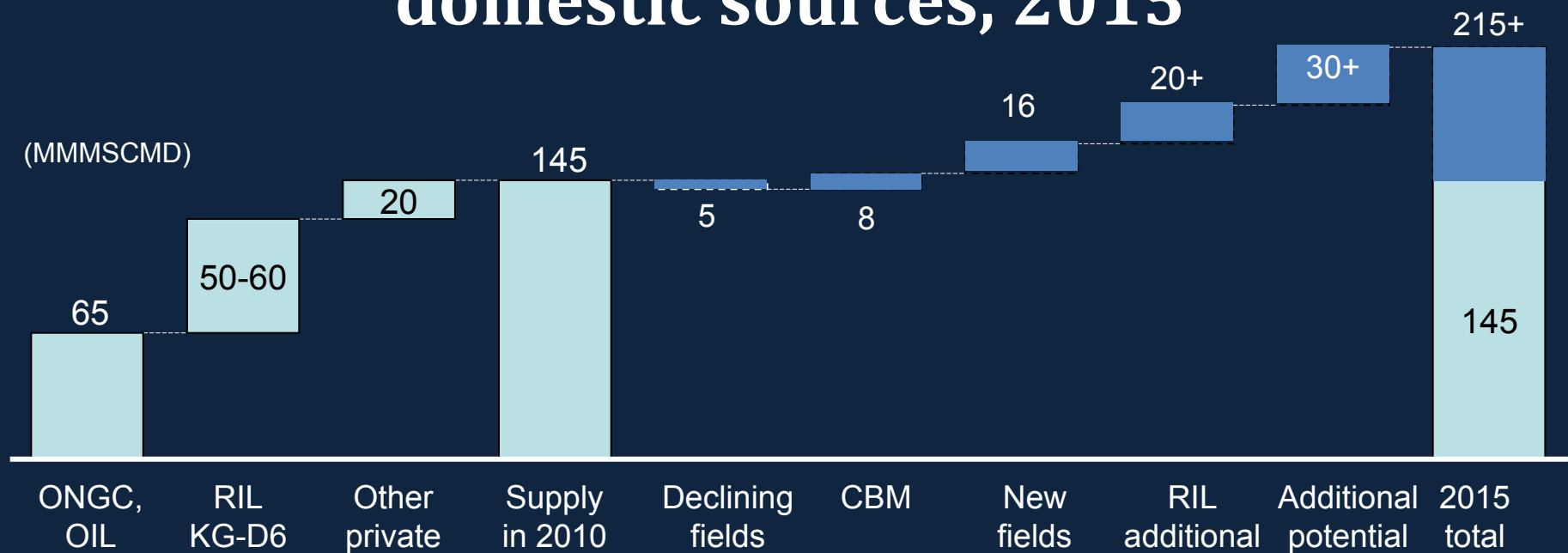
Gas demand and supply, 2015



Large demand but
sensitive to price



Projected net gas production from domestic sources, 2015

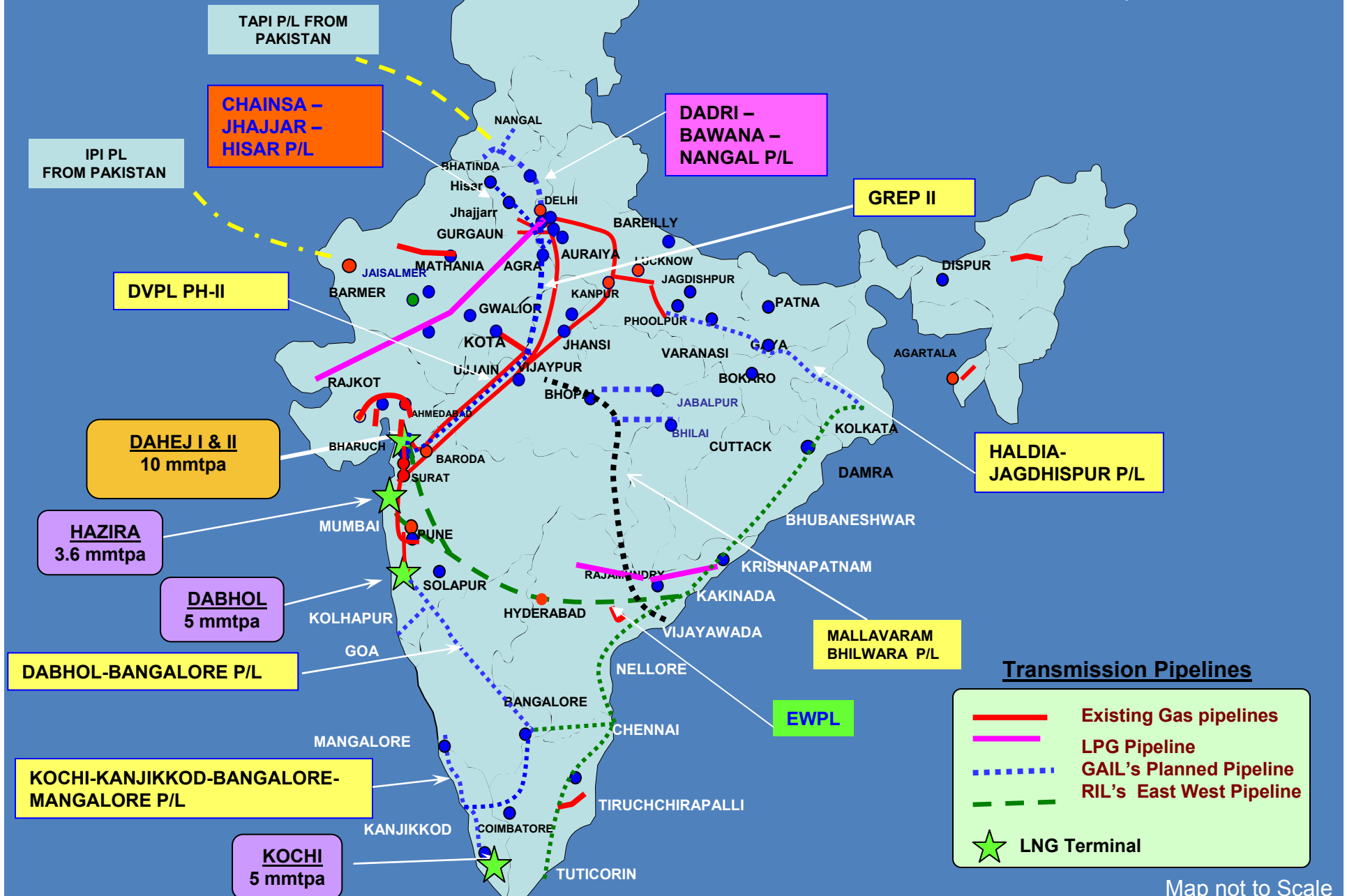


- DGH expects domestic production to be approximately 200 mmscmd in 2015
- Going forward, there is potential for higher production given a large number of blocks are under evaluation; Assuming 7-9% growth p.a., domestic gas supply could be between 300-330 mmscmd by 2020

Supply over next five years increasing but not expected to keep pace with demand



PIPELINE PROJECTS



New Pipeline Capacity Built-up

Pipeline Projects	Approved Cost (₹ Cr)	Capacity (MMSCMD)	Length (KM)	Anticipated Completion (Status)
DVPL PIPELINES – PHASE II Incl. compressor at Jhabua & Vijaipur	5837	24 to 78	610	Mainline compressor commissioned at Jabhua and Vijaipur. Standby machine at Jhabua by June 11 and Vijaipur Dec 11.
VIJAIPUR DADRI PIPELINES (Incl. Compressor at Kailaras & Chainsa)	4927	20 to 80	499	Vijaipur- Dadri Pipeline commissioned Compressor at Kailaras and Chainsa: Commissioning by Dec 2011
DADRI-BAWANA-NANGAL PIPELINE	2358	31	594	Dadri Bawana Pipeline Commissioned. Bawana Nangal: Commissioning by Dec 2011
CHAINSA-JHAJJAR-HISSAR PIPELINE	1315	35	349	Chainsa Sultanpur: Commissioned Sultanpur Neemrana: Commissioned
JAGDISHPUR-HALDIA PIPELINE	7596	32	2050	Being implemented in phased manner - 2013-14 onwards
DHABOL-BANGALORE PIPELINE	4994	16	1414	Phase I – Aug 2012 Phase II – December 2012
KOCHI-KOOTTANAD-MANGALORE / BANGALORE	3263	16	1126	Phase I – August 2012 Phase II – December 2012
TOTAL	30290		6642	

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) (Commissioned)	99	1.2	90
Capacity Augmentation of Agra & Ferozabad Region (17 km section from Agra to Ferozabad Commissioned)	200	1.25 to 2.75	71
Vijaipur Kota Pipeline Upgradation and laying of Spurlines (to Chittorgarh etc.)	463	2	290
Bawana Nangal spurlines (Uttrakhand & Punjab)	541	4	270
TOTAL	1555		906

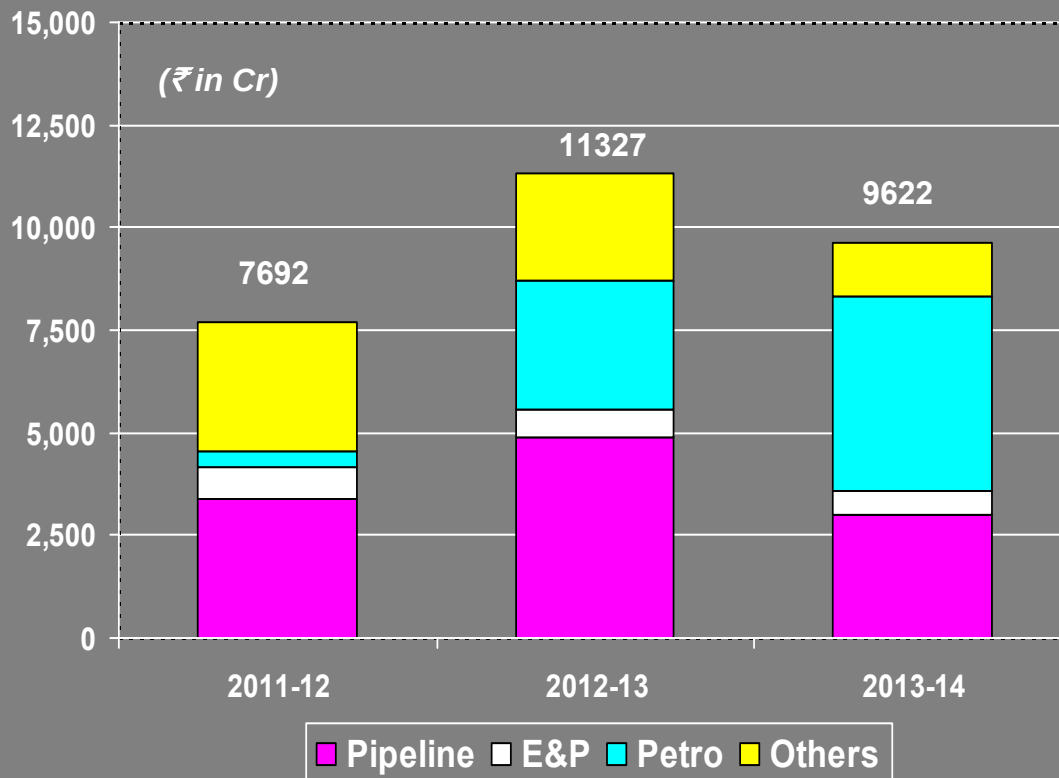
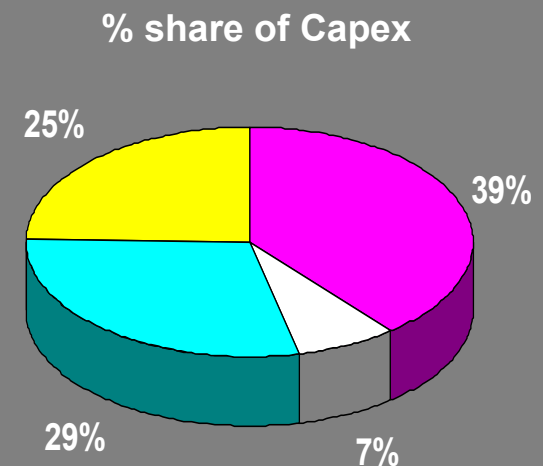
Planned Capex to tap the Opportunity



Projected Capex

Planned Capex from 2011-12 to 2013-14

₹28,641 Cr

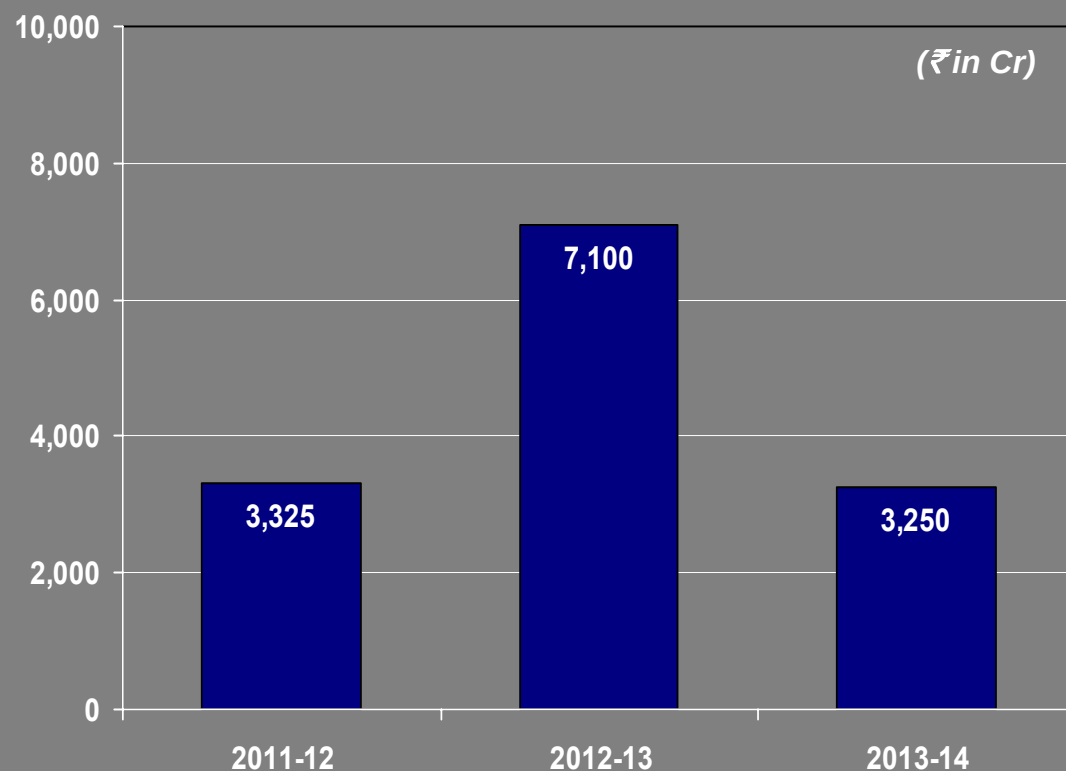
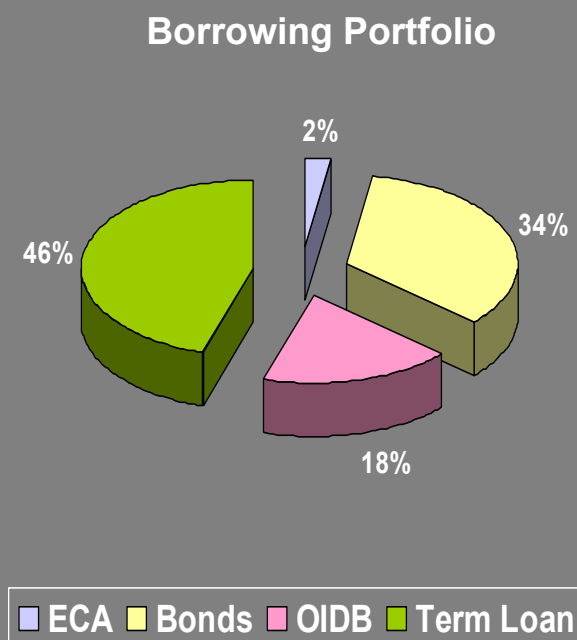


**GAIL has a history of Excellent Project Management
to execute the Project within given time frame and without cost over run**

Expected Capex Funding

Planned Borrowings from 2011-12 to 2013-14

~ ₹13,675 Cr



**Aggressive Capex Plan calls for Borrowings (Domestic & International)
Leverage on GAIL's very low debt Equity ratio (0.12:1) as on 31.03.2011**

Total Blocks	28 (including 1 CBM block)
Onshore Blocks	7
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	₹2305 Cr (upto 31.03.2011)
Hydrocarbons Discoveries where appraisal & Development activities are in progress	Hydrocarbons Discoveries in 7 Existing Blocks : Cambay onland, A1 & A3 blocks (Myanmar), Mahanadi offshore, Ankleshwar onland, Cauvery offshore & Tripura Onland
Operator in 2 blocks	RJ-ONN-2004/1 (NELP-VI) & CY-ONN-2005/1 (NELP-VII)
Commercial Block	Crude oil from Cambay Basin

E&P Activities



GAIL's Future

	FY 2010-11	FY 2013-14
NG Trans Pipeline (KM)	8000 +	14000 +
NG Trans Capacity (MMSCMD)	170 +	300 +
Polymer Capacity (incl BCPL) (MMT)	~0.4	~0.9 <i>(1.6 in FY 14-15)</i>
E&P Revenue Generating Blocks (Nos.)	1	3 <i>(5 in FY 14-15)</i>
Retail Gas Presence (No of Cities)	15	~50
Power (MW) – Renewable Sources	4.5	300
Power (MW) – Non-Renewable	-	250

Planned Growth



Growth Drivers from FY 11-12 & onwards

- Additional Gas availability:
 - *ONGC – Natural Gas Supply from Bandra, Vasai and C Series*
 - *Dabhol – RLNG*
 - *Incremental RIL KG Basin Gas*
 - *Additional Volumes from new explorations Blocks*
 - *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 11-12 & onwards

- *Petrochemical Business Segment:*
 - *Enhanced Pata Petrochemical Production from Q4 of FY 10-11 onwards*
 - *Completion of BCPL project of 0.28 MMTPA by 2013*
 - *Pata Expansion to 0.9 MMTPA by 2014*
 - *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 operational*
 - *GAIL Gas Ltd, a 100% Subsidiary incorporated*
 - *PNGRB Authorized GAIL Gas for Four CGD projects*
 - *More than 230 cities identified for CGD in a phased manner.*

Visible Growth drivers





GAIL (India) Ltd.

Strong Financials

Strong Govt Support

Relatively New Assets

Strong Gas Demand

Large Capex Plans in Place

Dominant Position - Transmission

Naturally GAIL



Naturally GAIL

80% of India's Natural Gas Users Rely on Us - Naturally

Natural Gas Transmission

Natural Gas Processing

Natural Gas Marketing

Petrochemicals

City Gas Distribution

Exploration & Production

www.gailonline.com



GAIL (India) Limited

Thank You