

# 'Bring gas and petroleum sector under the GST ambit'

**B**huwan Chandra Tripathi, chairman & MD, GAIL (India) Ltd, spoke about the volatility in crude prices, growth and expansion plans of GAIL in an interview with Swati Khandelwal of Zee Business on the sidelines of the World Economic Forum, Davos.

■ **People are talking about the ways to decrease energy costs and are looking towards alternative energy. What is your opinion on it?**

Energy transition has been discussed, and almost every forum is looking towards various options of energy, technology add-ons,

how the renewable energy space is increasing, and the role oil and gas will play in this transition. But one thing is clear that despite all these changes, oil and gas are going to be a part of our energy basket for a substantial period, and natural gas will play a bigger role in it. Oil price is a complicated issue, which is not purely a demand-supply problem, but it also depends on other things including geopolitical scenario. Predicting oil prices is a difficult task, but it is expected that oil will balance somewhere around \$60-70 per barrel.

■ **How you are going**

**to close the financial year 2018-19? Also, provide an outlook for growth and expansion in the next year?**

GAIL is on a growth path, and will continue to maintain it in 2018-19 as well as 2019-20. Currently, we are fo-

cus on increasing and strengthening the gas infrastructure in India. The process will involve activities like laying new gas pipelines, creation of new terminals, and going forward the last-mile city gas connectivity. Interestingly, Rs 60,000-70,000 crore are being invested across India in this space and GAIL is playing a leading role in it. The share of gas in India's energy basket is expected to increase by about 8-9% in the next 1-2 years.

■ **What is the GAIL's capex for the ongoing and next financial years?**

Our capex for FY19 stands at around Rs 7,000 crore, and it will continue to be the



same for the next financial year. We are also working on other schemes and further expansion plans will be made after having an eye on global prices of oil & gas. If that happens, then the capex may increase.

■ **PSUs are being merged with each other, such as HPCL with ONGC. Is GAIL looking towards something?**

We don't have any merger plan for the gas division, but we are creating our own subsidiaries in retail and transmission sectors. GAIL is going to stand as an independent company in the days to come.

■ **GAIL wants to enter the electric vehicle segment**

**and has demonstrated its interest in it. Let us know about the role that GAIL will play in the segment and its exposure?**

Electric vehicles are being debated, but it will take some time. We have plans to develop charging infrastructure at our gas retailing facilities. Technology changes in the segment may provide facilities to charge the vehicles in the garage itself. But we don't have any major plan for it.

■ **Any demand or expectations from the Budget?**

We want the gas and petroleum sector to be brought under the ambit of GST. Besides, power sector reforms, which is the need of the hour, should be announced.