



GAIL (India) Ltd.

India's Youngest Maharatna

Investors' & Analysts' Meet

May 28, 2019, Mumbai

Safe Harbor Statement

This presentation has been prepared by GAIL (India) Ltd (Company or GAIL) solely for providing information about the Company.

The information contained in this presentation is only current as of its date. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking statements", including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects, and future developments in its industry and its competitive and regulatory environment. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the Company's business, its competitive environment, information technology and political, economic, legal and social conditions in India.

This communication is for general information purposes only, without regard to specific objectives, financial situations and needs of any particular person. Company do not accept any liability whatsoever, direct or indirect, that may arise from the use of the information herein.

The Company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes

Table of Contents

- 1 Company Overview
- 2 Performance Highlights
- 3 Industry Outlook & Strategy
- 4 Questions & Answers

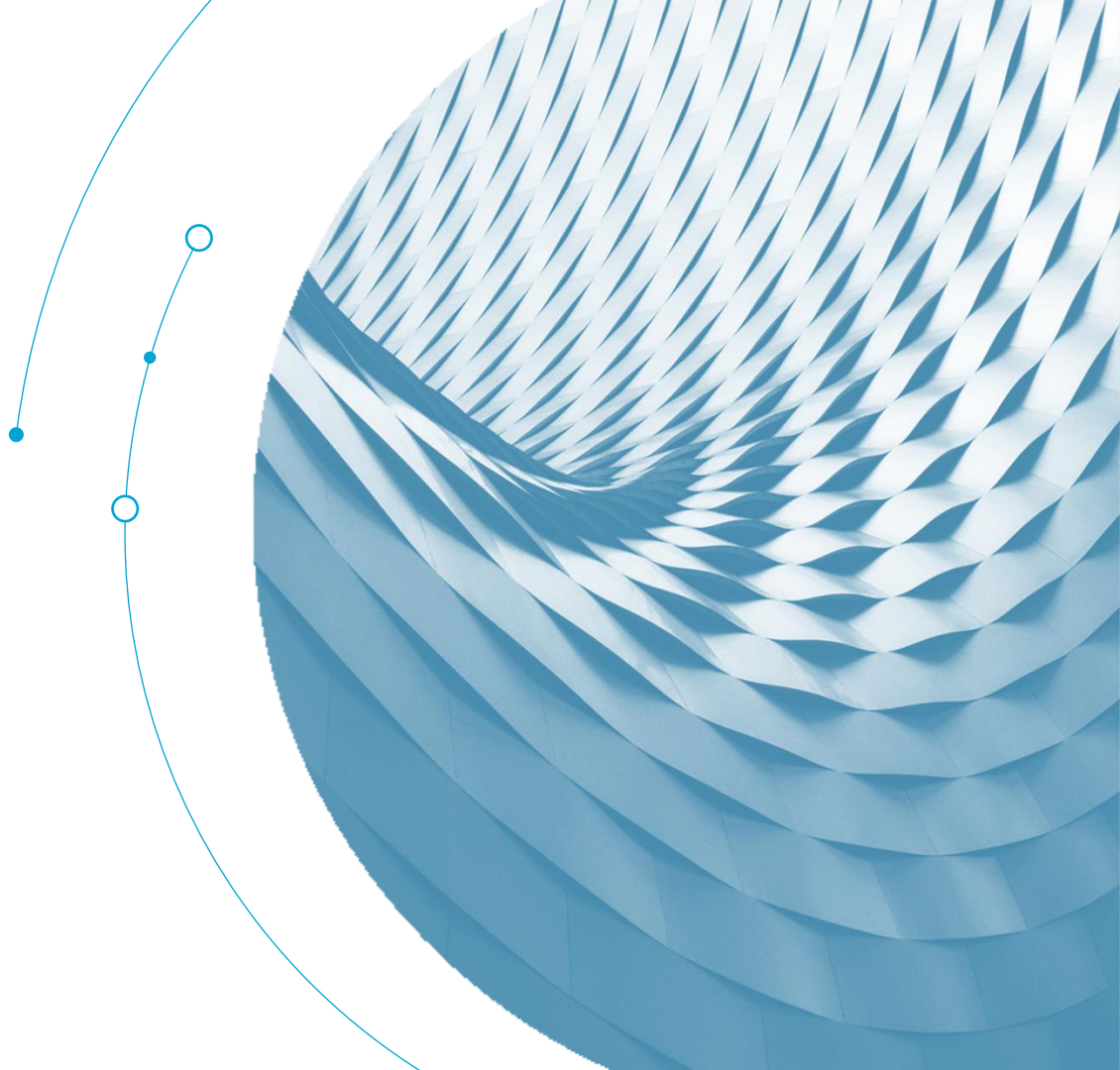




Table of Contents

1

Company Overview

2

Performance Highlights

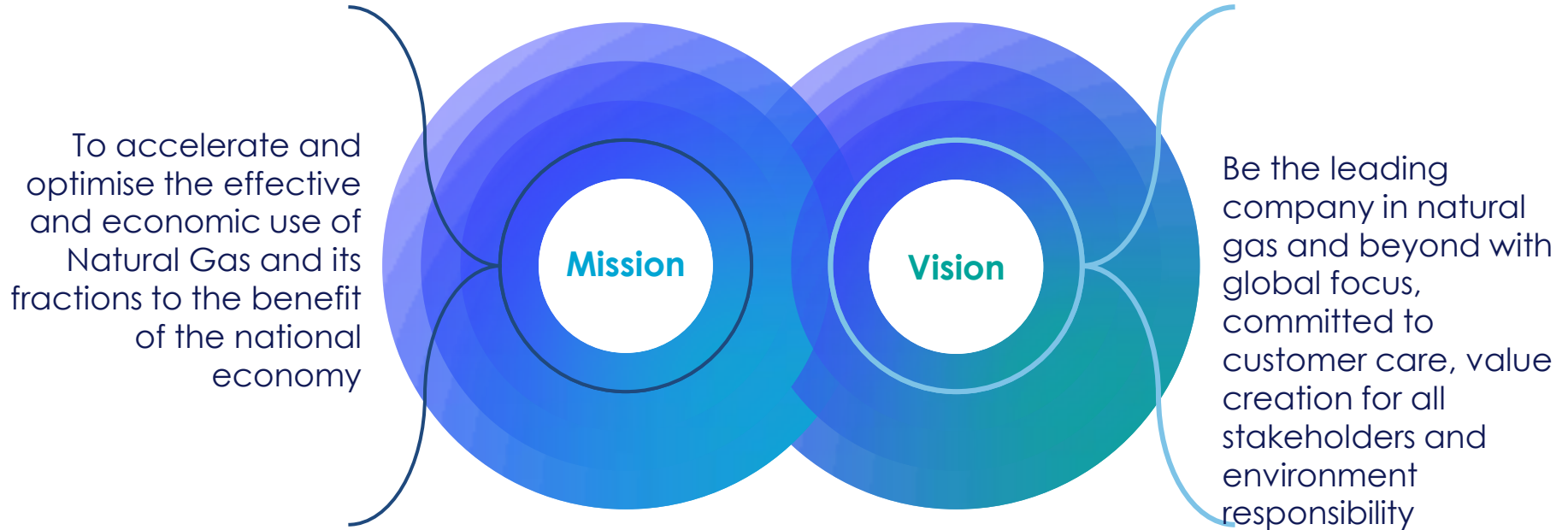
3

Industry Outlook & Strategy

4

Questions & Answers

Company Mission & Vision



Major Business Portfolio



Gas Transmission & Marketing

- Over 11000 KM of Network
- Long Term Portfolio of ~14 MMTPA



Petrochemicals

- ~15% domestic market share
- Capacity of 810 KTA at Pata & 280 KTA at BCPL



Liquid Hydrocarbons

- Six LHC Processing Plants
- 1,308 KTA of Capacity
- 3.8 MMTPA of LPG Tran Capacity



E&P

- Participation in 10 Blocks
- Presence in US & Myanmar



Renewables

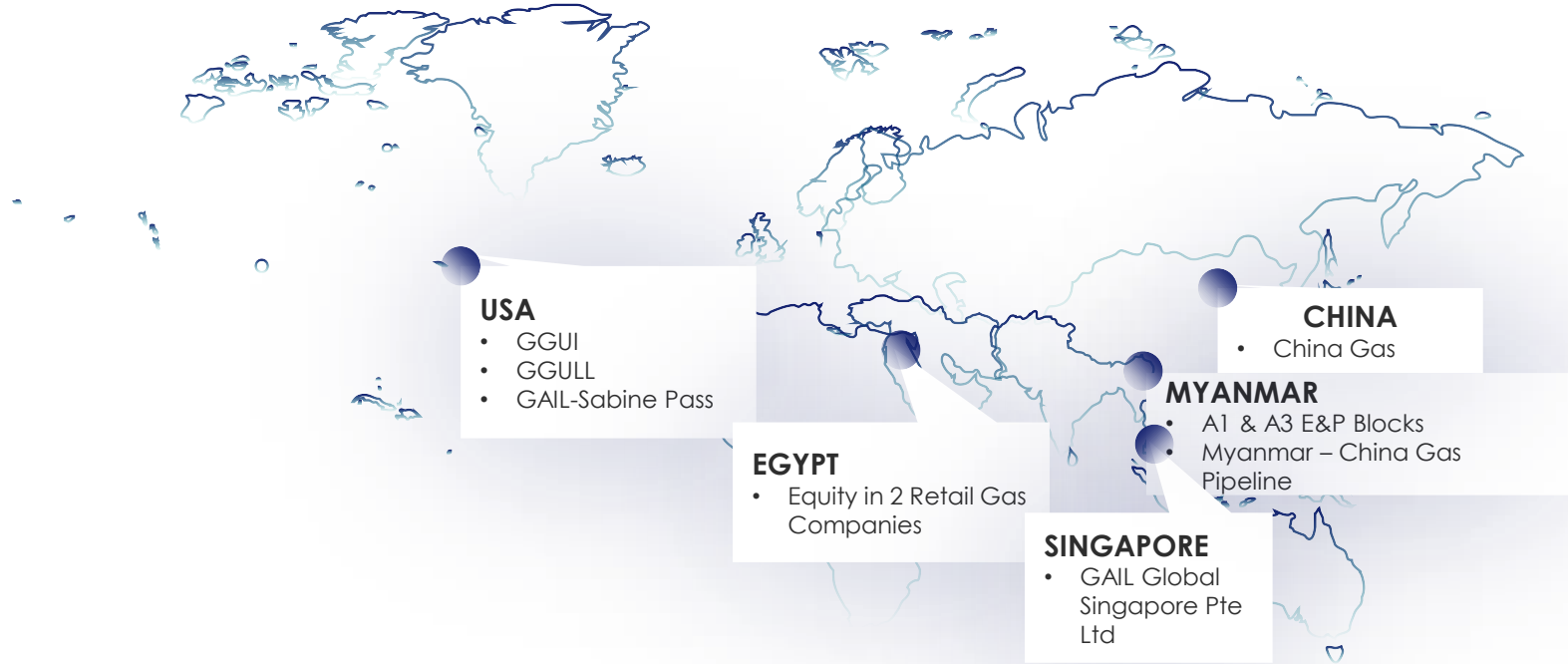
- 118 MW of Wind Power Capacity
- 10.7 MW of Solar Power Capacity
- Participation in RGPPL (1967 MW)

Commitment to Sustainable Development

- ❑ In FY 18-19 GAIL has undertaken 100 Sustainability Projects registered across sites totalling INR 40 Crores.
- ❑ GAIL has published externally assured 8 Annual Sustainability Reports based on the GRI Sustainability Reporting Standards
- ❑ Total renewable Energy portfolio of GAIL is around 128 MW
- ❑ GAIL has developed the Sustainability Charter to serve as the guiding force for GAIL's future objectives, actions and aspirations
- ❑ More than 40 % of GAIL Land Holdings are covered by Green Belt and Water Bodies across all Locations
- ❑ Usage of State of Art Digital Technology across all activities of GAIL has reduced our Carbon Footprints significantly
- ❑ GAIL has been included in the "FTSE4 Good Emerging Index" for 2nd year in a row



Global Presence



USA

- GGUI
- GGULL
- GAIL-Sabine Pass

EGYPT

- Equity in 2 Retail Gas Companies

CHINA

- China Gas

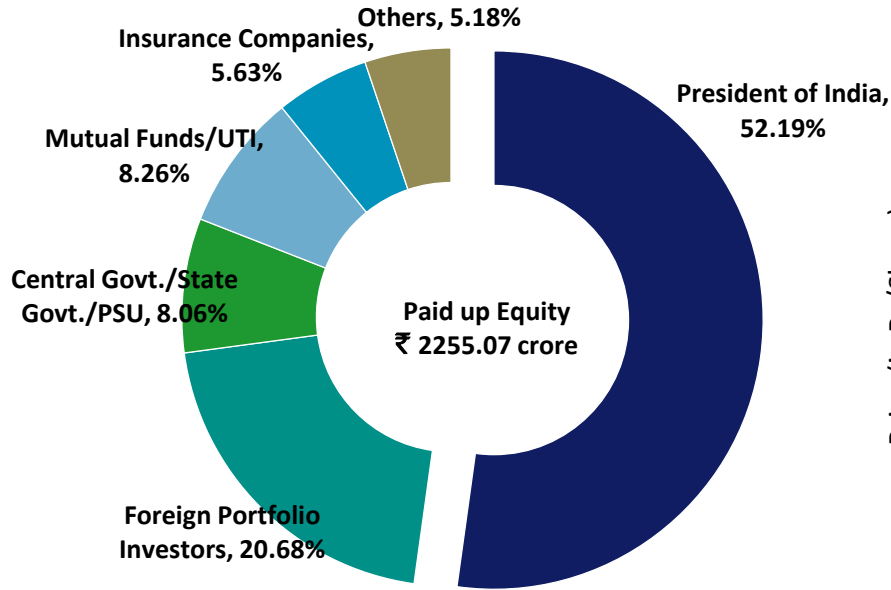
MYANMAR

- A1 & A3 E&P Blocks
- Myanmar – China Gas Pipeline

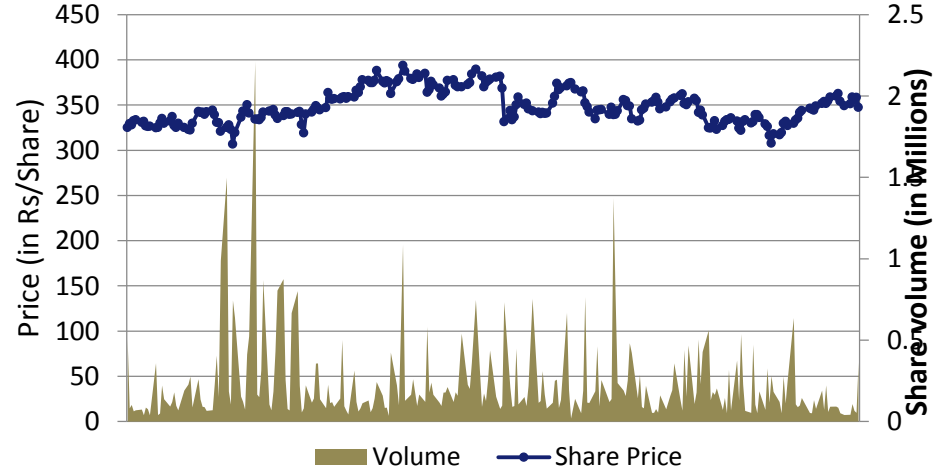
SINGAPORE

- GAIL Global Singapore Pte Ltd

Shareholding Pattern



Market Capitalization as on 31st Mar'19 : ₹ 78,319 crore

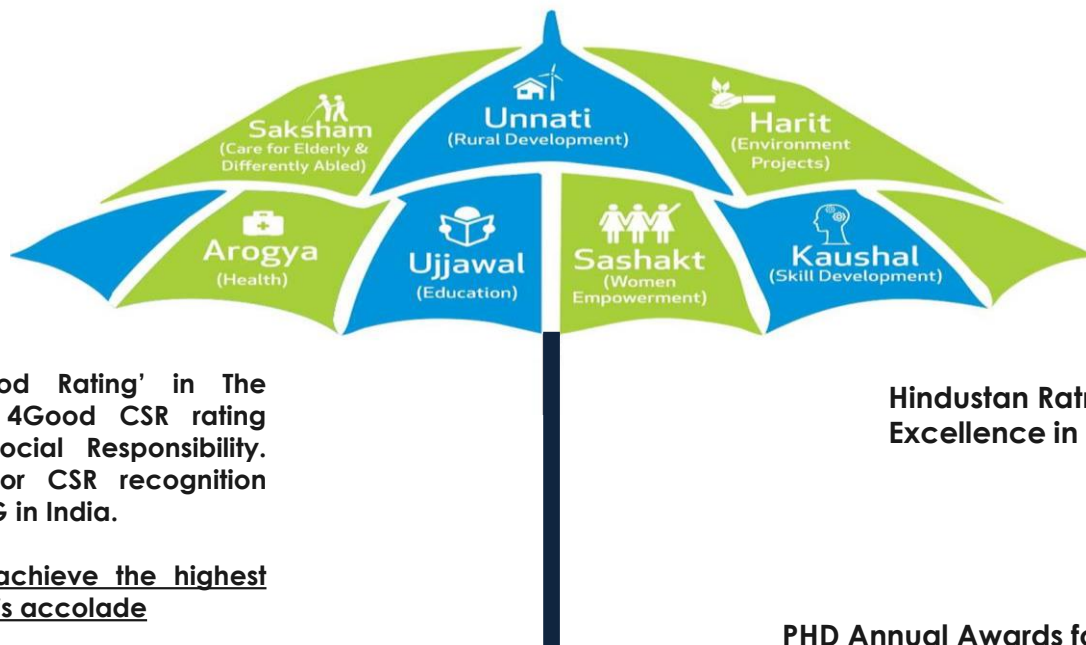


Year	FY14	FY15	FY16	FY17	FY18	FY19
Dividend Declared (₹/Share)	10.4	6.00	5.50	9.08	7.18	8.02*

- ☐ GAIL Board recommends issue of one bonus share for every one shares held
- ☐ Shareholding of President of India came down to 53.07 % in July'18 and then to 52.19 % as on 31st of March'19 on account of divestment via ETF

Source: BSE Website; Note: Shareholding pattern & other data as on 31st Mar 2019 as per BSE website; Above number are adjusted for bonus share issued in FY 2016-17 & FY 2017-18. Dividend per share is calculated as per the closing paid-up capital for the respective year. *On pre bonus equity which is subject to approval of Shareholders

Corporate Social Responsibility



'GAIL accorded "4 Good Rating" in The Economic Times 2Good 4Good CSR rating scheme for Corporate Social Responsibility. Most credible platform for CSR recognition developed by ET and KPMG in India.

GAIL is the only PSE to achieve the highest benchmark and receive this accolade

Hindustan Ratna Awards 2018 for Excellence in CSR

PHD Annual Awards for Excellence 2018' for 'Outstanding Contribution to Social Welfare'

GAIL has incurred Rs. 119 crore i.e. 2.72% of the average Profit of the preceding 3 years on CSR in FY 2018-19



Table of Contents

1

Company Overview

2

Performance Highlights

3

Industry Outlook & Strategy

4

Brainstorming & Questions

Major Highlights for FY 2018-19

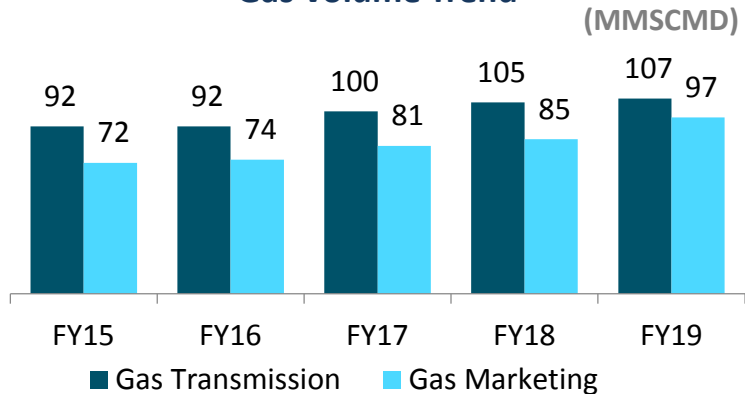
- GAIL's Registered Highest ever Turnover & Profit of Rs. 74,808 crore & Rs. 6,026 crore in FY 2018-19
- GAIL Imported First LT-LNG cargo from Gazprom on 4th June 2018 at PLL Dahej
- Upward Revision in Tariff of NG Pipelines for DUPL/DPPL, Gujarat N/w & Agartala N/w – Impact ~ Rs. 400 crore
- Company Received Grant pertaining to JHDBPL for Rs. 1,207 crore from Govt. of India. Cumulative Grant received till FY 2018-19 stands at Rs. 2,057crores
- Major Contracts for PM Urja Ganga Project Awarded, Execution in full swing (Capital Commitment as on 31st March 2019 ~ Rs. 9,000 crore)
- Company received favourable judgements on various tax cases having an Impact of ~Rs. 7,600 crore
- GAIL Board approved PDH - PP Plant at Usar (500 KTA) & PP Plant at Pata (60 KTA); Expected Investment Rs. 8,800 & Rs. 900 crore respectively

Major Highlights for FY 2018-19 Cont..

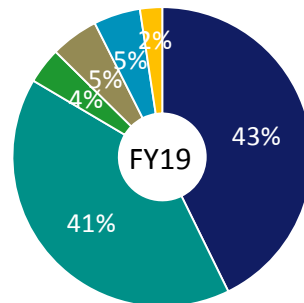
- Dividend for FY 2018-19 is 80.02% (including final dividend) of equity share capital (pre bonus). GAIL Board also recommends issue of Bonus share in the ratio of 1:1
- Total Loan Repayment in FY 2018-19 is to the tune of ~ Rs. 1,135 crore; Loan O/s – 1,000 crore
- Part of JHBDPL Project (585 KM) & Auraiya – Phulpur Pipeline (315 KM) capitalized, Capex for FY 2018-19 ~ Rs. 8,300 crore
- Commissioned Varanasi, Cuttack & Patna Sahib CGD during the financial year; Ranchi, Jamshedpur etc. under fast execution
- GAIL received 'NIL' comments from CAG for the Accounts of FY 2017-18
- Company received 15th National Awards for Excellence in Cost Management-2017 from Institute of Cost Accountants of India (ICAI)
- Credit Rating – Domestic 'AAA', International 'Baa2' (Moody's), BBB- stable outlook (Fitch)

Physical Performance – FY 2018-19

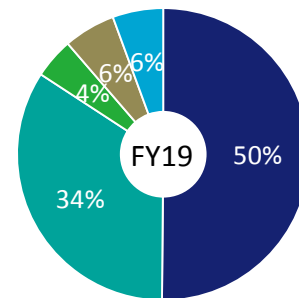
Gas Volume Trend



Gas Transmission Mix

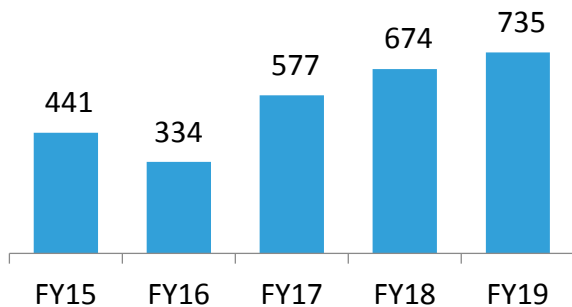


Gas Marketing Mix

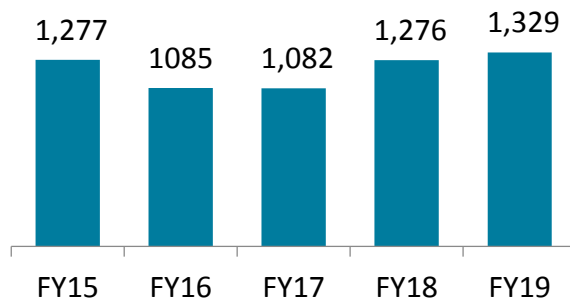


■ APM/NAPM ■ RLNG ■ PMT ■ Spot ■ Mid Term ■ RIL

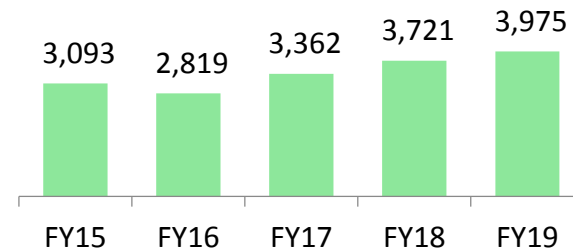
Petrochemicals Sales



Liquid Hydrocarbons Sales

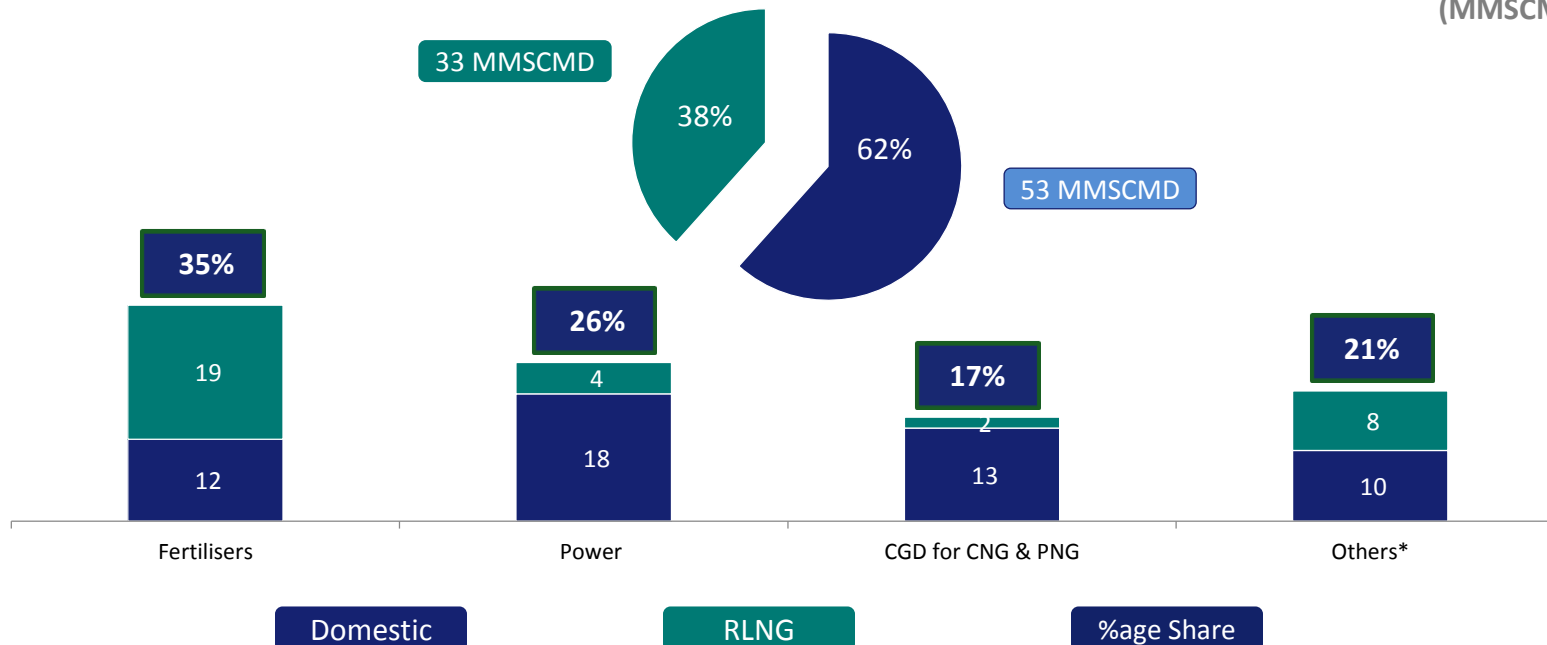


LPG Transmission (TMT)



Gas Sourcing & Sector Wise Supply – FY 18-19

(MMSCMD, % share)



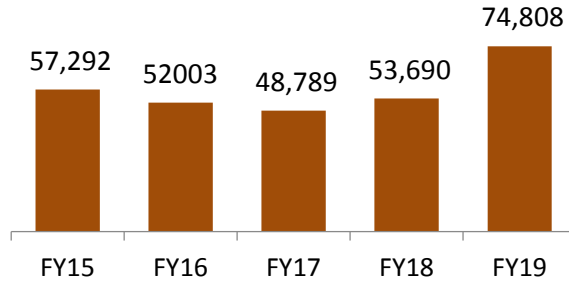
- ❑ Imported Gas primarily consists of Long Term RLNG, Mid Term RLNG and Spot
- ❑ Major sources for domestic gas are ONGC(APM & Non APM), PMT at APM & PSC prices ,Ravva, Ravva satellite etc.
- ❑ Highest demand of Natural Gas from Power & Fertilizer companies
- ❑ The above number excludes Gas Volume sold in the international markets ~10.5 MMSCMD

* Others include Steel, Refineries, Sponge Iron, Petrochemicals, GAIL Internal consumption etc.

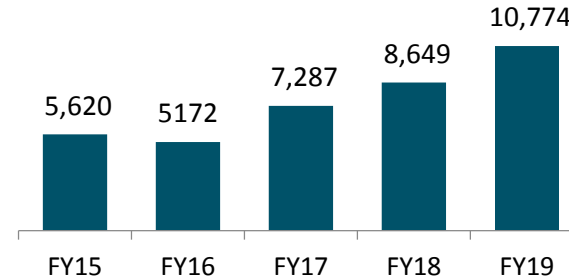
Financial Performance (Standalone)

(in Rs. crore)

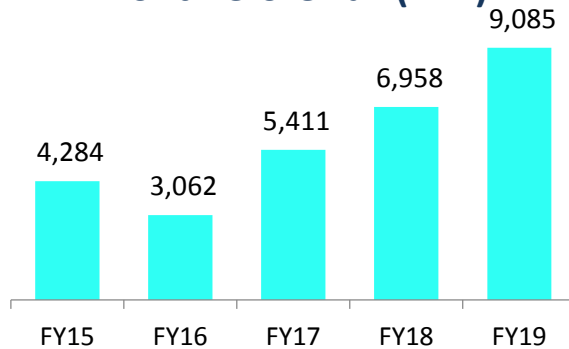
Turnover (Gross) *



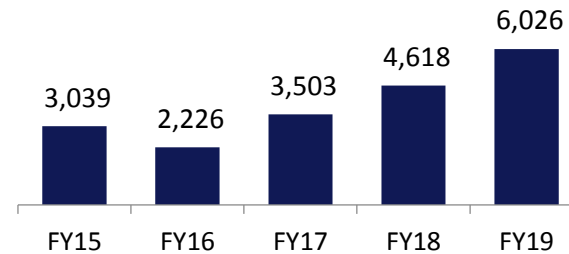
Gross Margin* (PBDIT)



Profit Before Tax (PBT)*



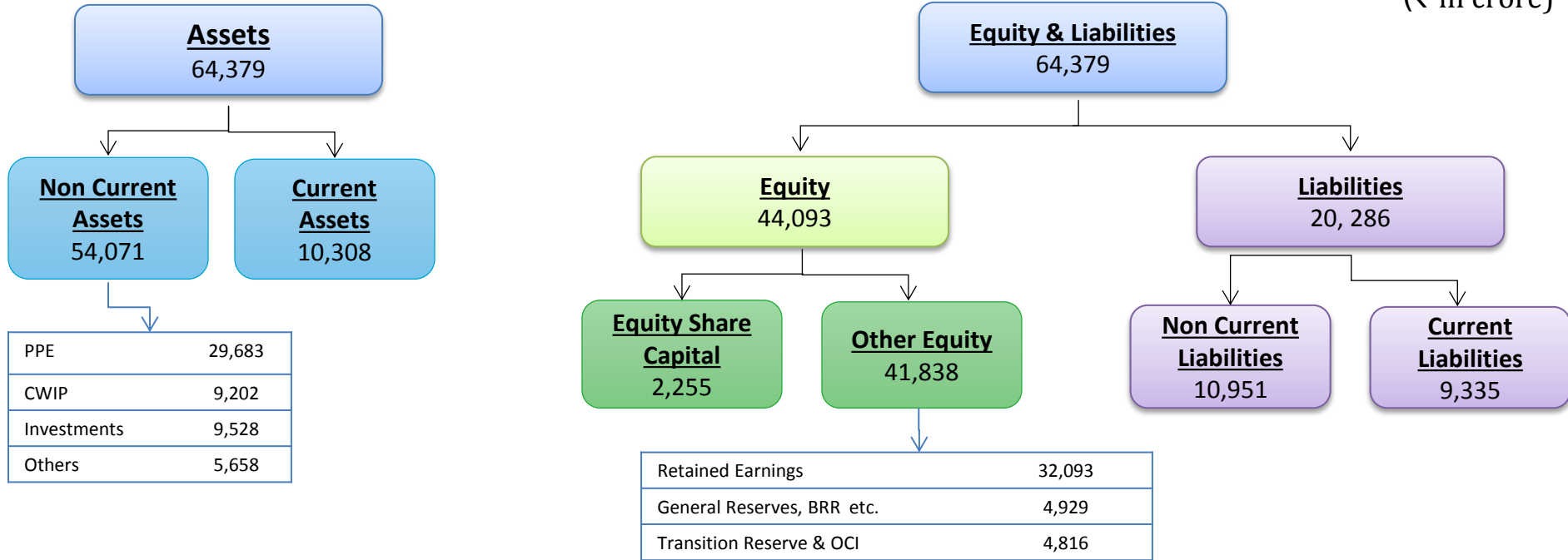
Profit After Tax (PAT) *



*Figures from FY 16 onward are as per Ind-AS

Balance Sheet as on 31st March 2019

(₹ in crore)



Capital Employed
₹ 51,041 crore

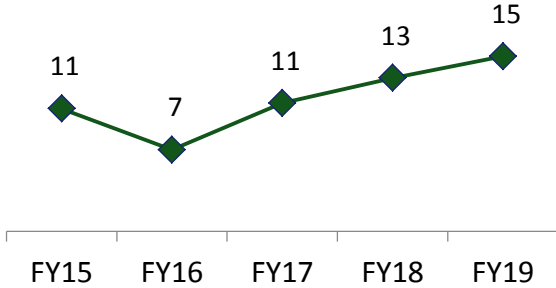
Net Worth*
₹ 39,062 crore

Loan Outstanding
₹ 1,000 crore

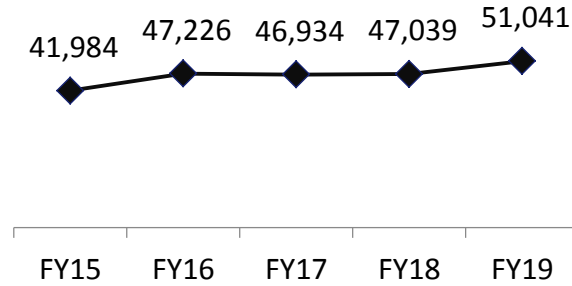
* as per companies' Act

Financial Profile

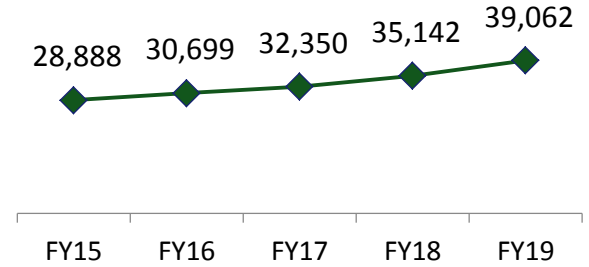
PAT to Net Worth (in %age)



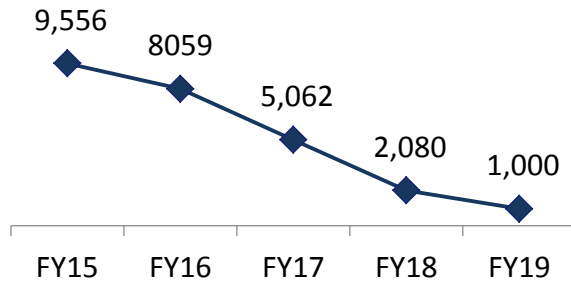
Capital Employed (in Rs. crore)



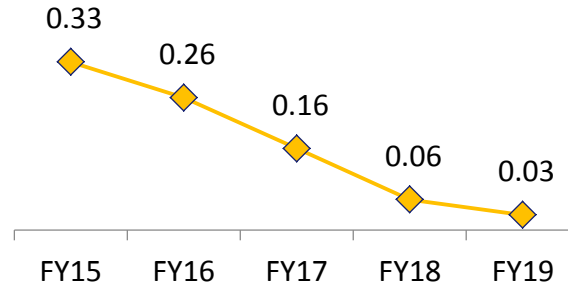
Net Worth (in Rs. crore)



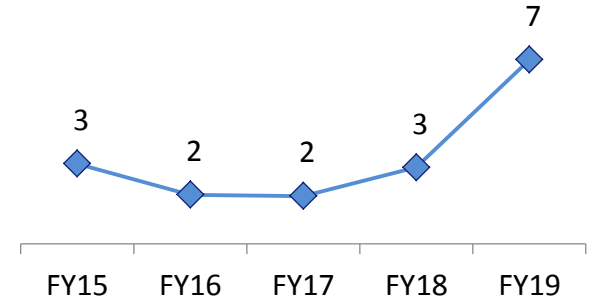
Loans (in Rs. crore)



Debt to Equity Ratio



Debt Service Coverage Ratio (DSCR)

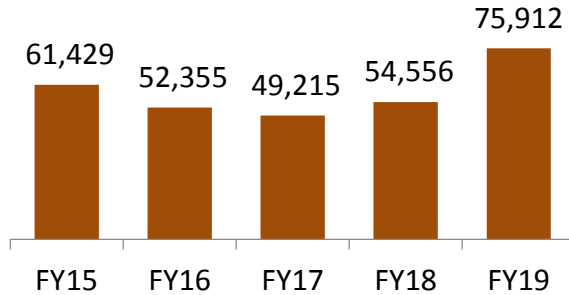


*Figures from FY 16 onward are as per Ind-AS, Networth as per Companies Act 2013

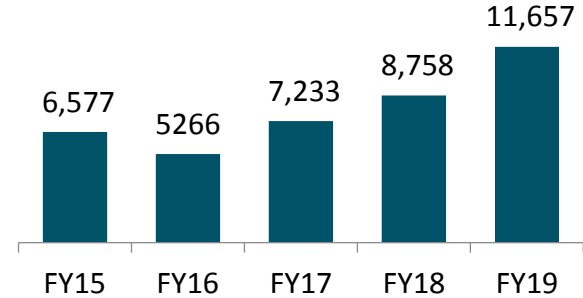
Financial Performance on Consolidated Basis

(in ₹ crore)

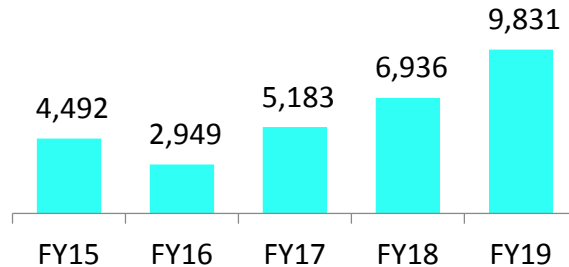
Turnover (Gross)



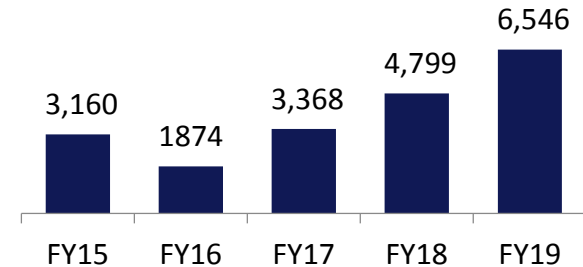
Gross Margin (PBDIT)



Profit Before Tax



Profit after Tax



Turnover (Gross) Reconciliation on Consolidated Basis

(in ₹ crore)

Particulars	FY 19		Consolidated Turnover (Gross)
	Turnover (Gross)	Eliminations	
Standalone	75,127	8,509	66,617
GAIL Gas	5,367	-	5,367
GGSP	5,423	1,439	3,984
GGUI	3510	3,340	170
TNGCL	96	-	96
Less : Other Operating Income and discontinued operations			322
Total	89,523	13,288	75,912

PAT Reconciliation on Consolidated Basis

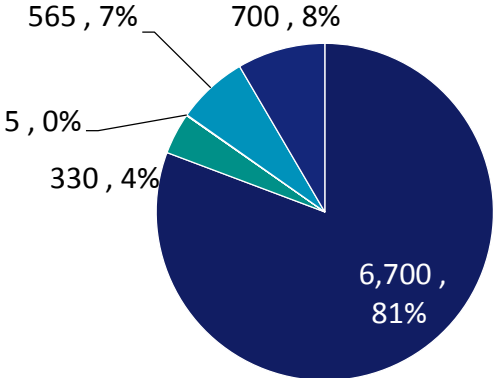
(in ₹ crore)

Particulars	% Share holding in FY19	Investment (Net)	FY19
GAIL	NA	NA	6,026
Subsidiaries		1,176.41	(148)
GAIL GAS	100%	1,127.00	81
GGSP	100%	41.94	4
GGUI	100%	5.55	(240)
TNGCL (less Non- controlling interest)	48.98%	1.92	7
Associates		2405.21	789
MGL	32.50%	32.1	164
PLL	12.50%	98.75	240
BCPL	70.00%	992.37	48
IGL	22.50%	31.5	182
Opal	49.21%	994.95	0
China Gas	2.87%	97.37	153
Fayum Gas	19.00%	7.64	3
Ramagundam Fertilizer	14.77%	150.53	(2)
Joint Ventures (JVs)		833.17	(79)
RGPP/LLPL	25.50%/40.91%	456.72	(143)
CGD JVs & Others (BGL, CUGL, GGL, MNGL, AGL, VGL, TAPI)	-	381.45	64
Adjustments			(45)
Elimination of Dividend	-	-	(340)
Elimination Profit/Loss recognized from investments	-	-	+326
Others	-	-	(28)
Consolidated	-	-	6546

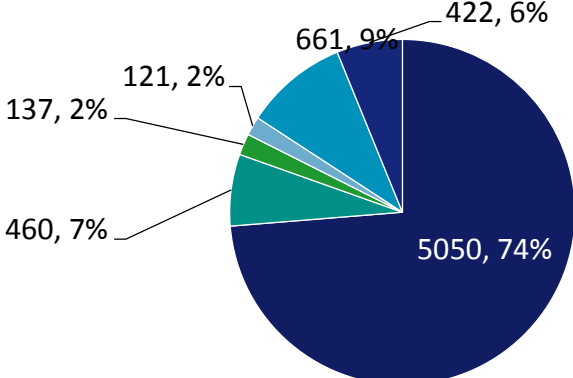
Capital Expenditure Profile

(in ₹ crore)

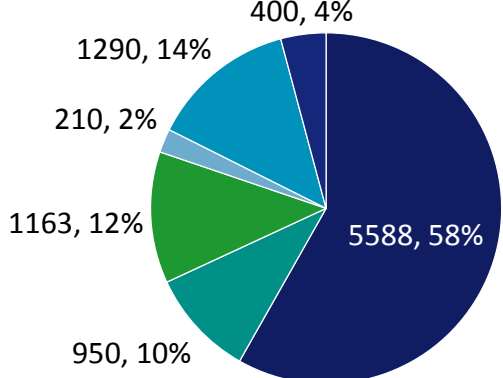
FY18-19
~ ₹ 8,300 crore



FY19-20E
₹ 6,850 crore



FY20-21E
₹ 9,600 crore



■ Pipeline
 ■ City Gas Distribution
 ■ Petrochemical
 ■ E&P
 ■ Equity Investments
 ■ Operational Capex

* capital expenditure include plan, non-plan and operational capex



Table of Contents

1

Company Overview

2

Performance Highlights

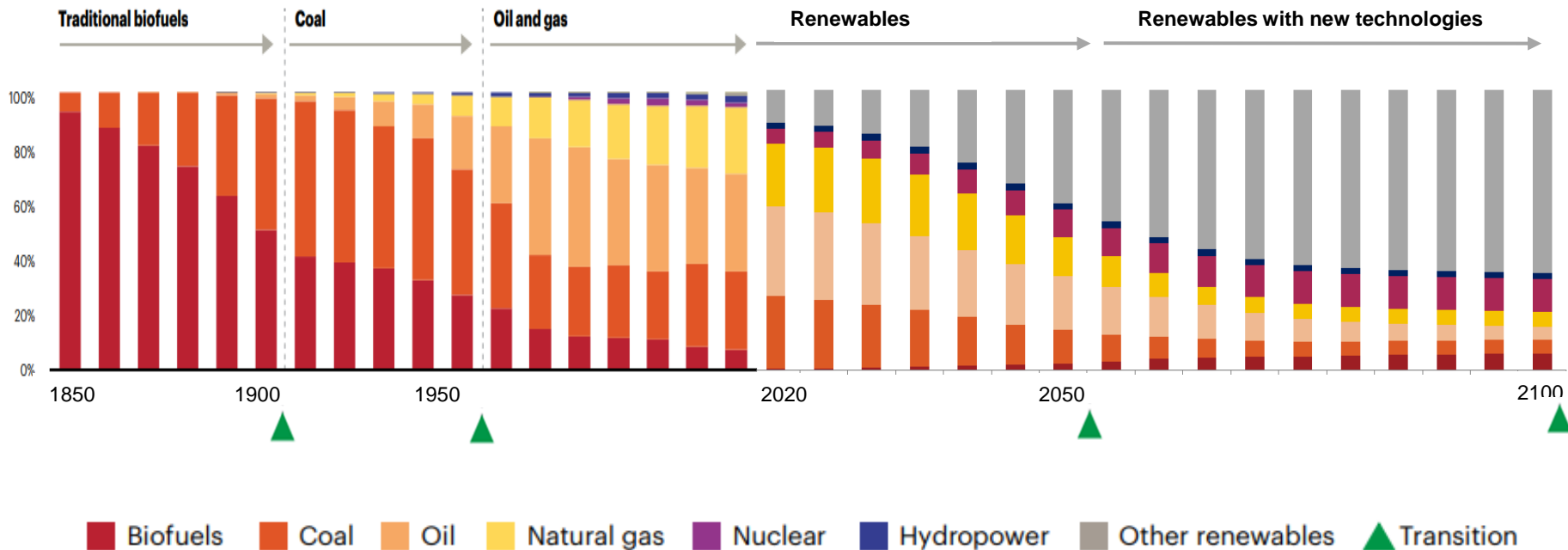
3

Industry Outlook & Strategy

4

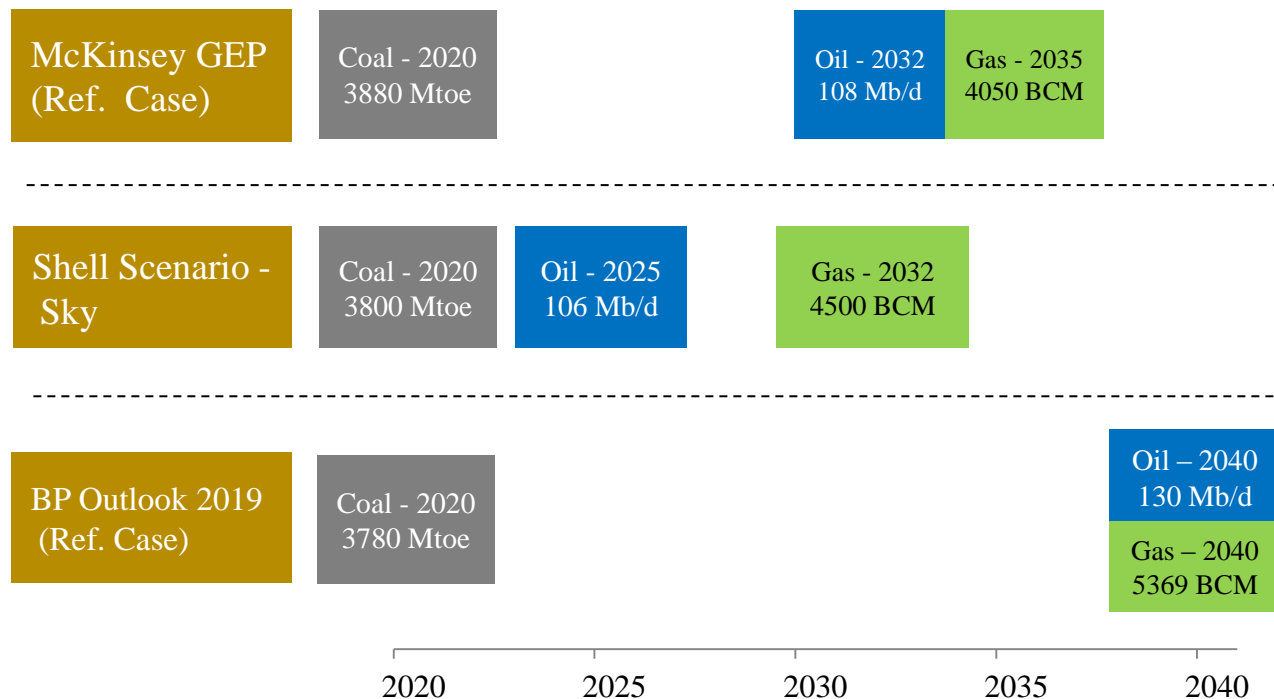
Questions & Answers

Transition in energy mix over two and half centuries



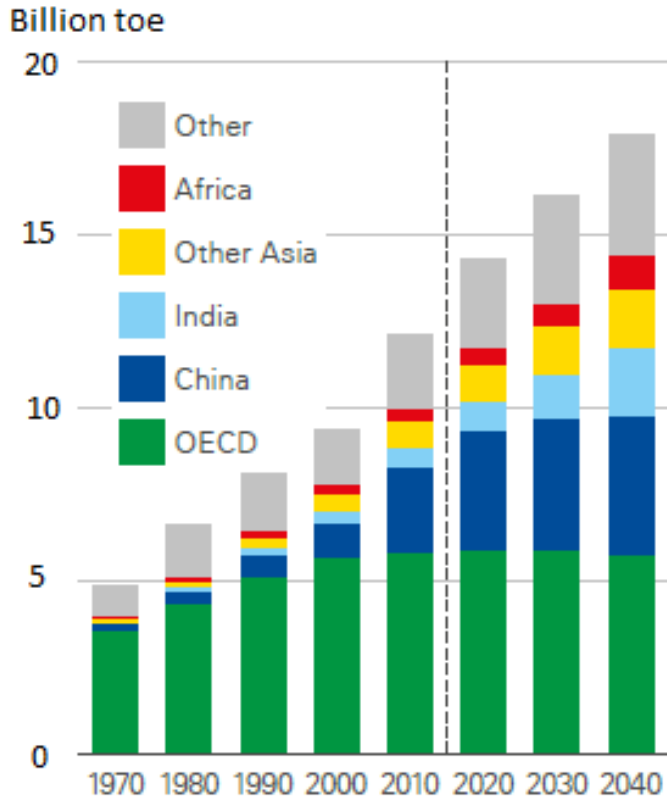
Source: Shell past data and Shell Scenarios – Sky

Gas to peak last among fossil fuels



- Varied estimates on oil, though oil usage for transport will peak by 2025-2030
- Gas is the last fossil fuel to peak and remains longer than other fossil in all estimates
- Coal unanimously peaks in 2020

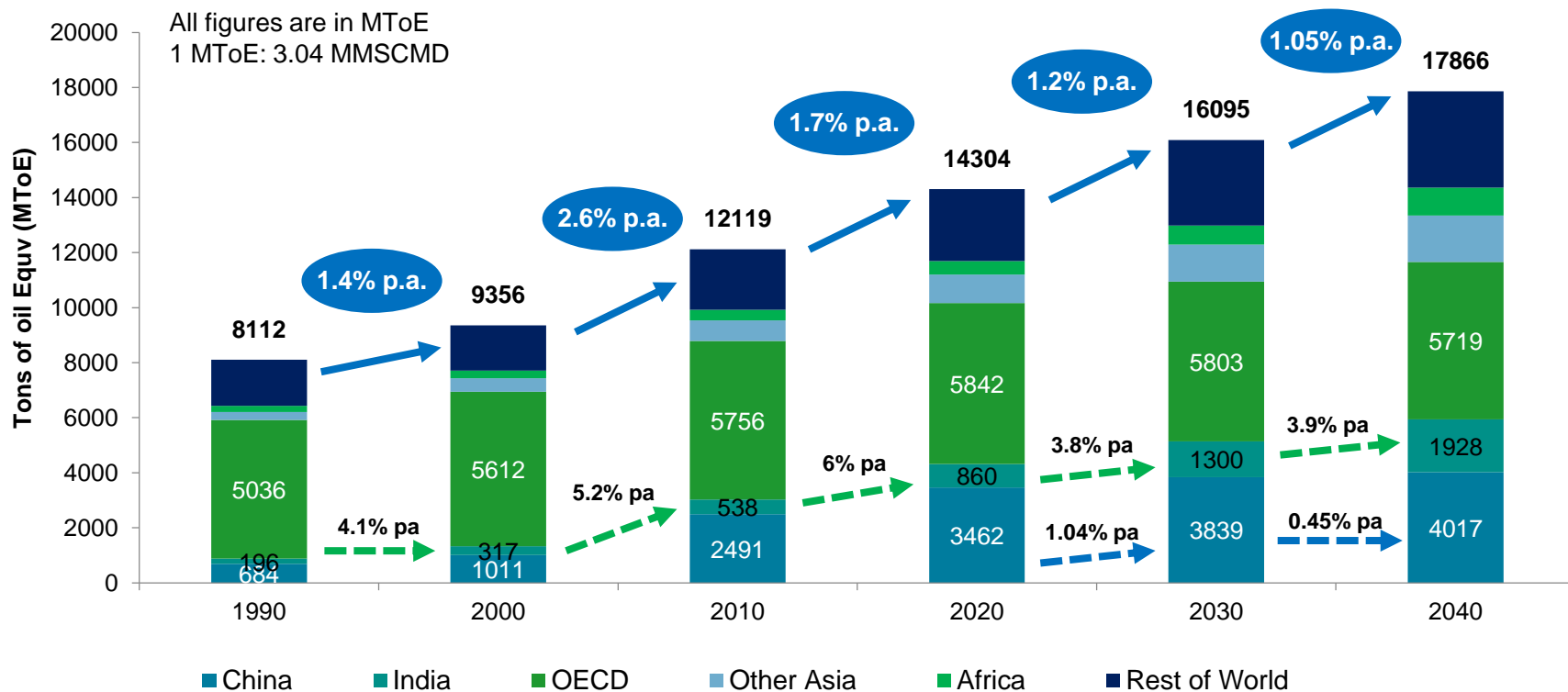
Energy Consumption Trend: World



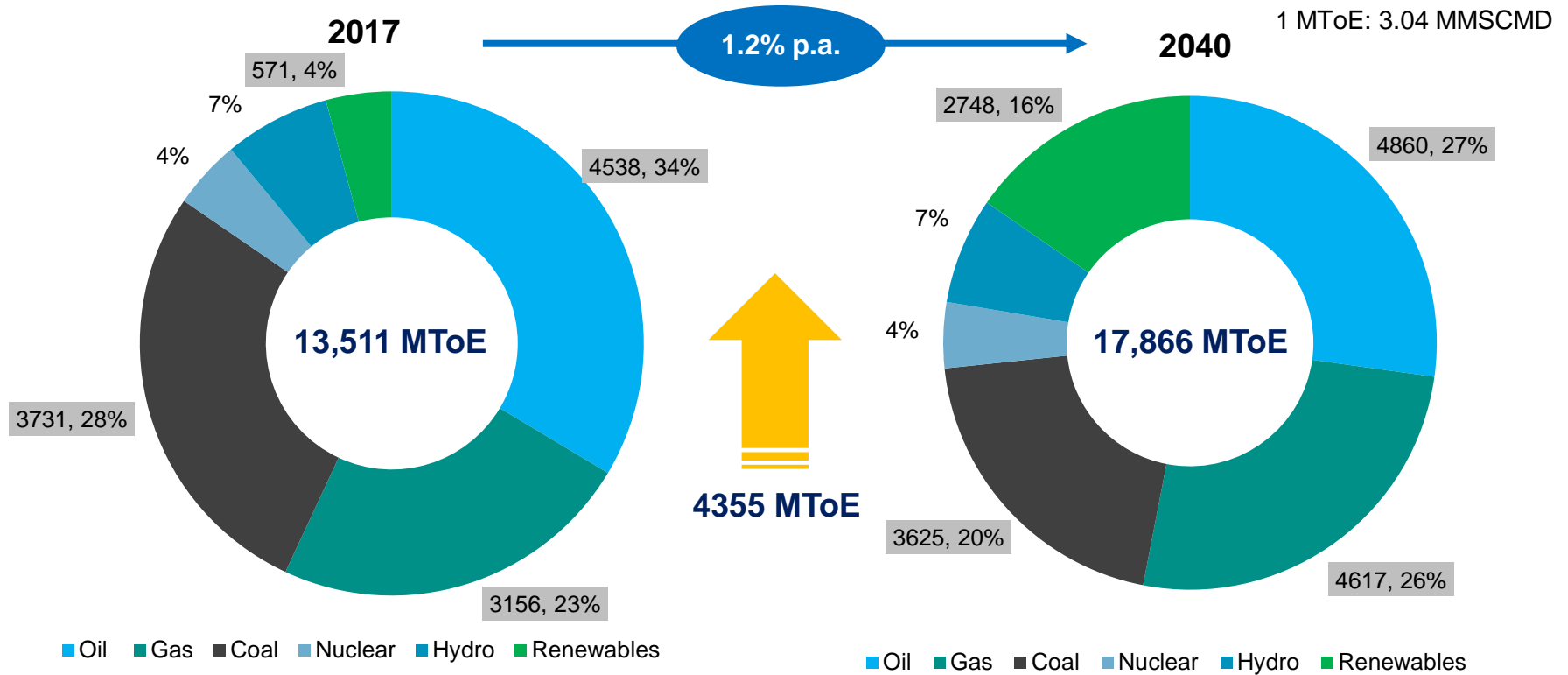
Source: BP Energy Outlook 2019

- ❑ World economy is expected to almost double over the next 20 years, with growth averaging 3.4% p.a. largely driven by increases in productivity (i.e. GDP per person)
- ❑ The world's population is projected to increase to reach nearly 9 billion people by 2035
- ❑ Expected growth in the global economy is driven by emerging economies, with China and India accounting for around half of the increase
- ❑ Energy consumption is expected to grow less quickly (1.3% p.a.) than in the past (2.2% p.a. 1995 to 2015)

Region-wise primary energy consumption shows growing demand from Africa and India



Global future energy requirement is expected to be meet by Gas and RE



India's Energy Outlook 2040

+156%

Growth in India's energy
Consumption

11%

Share of Global energy
consumption in 2040

+207%

Growth in India's power
generation

16%

Share of renewables in
primary energy mix in 2040

India's energy consumption grows the fastest among all major economies by 2040 with coal contributing most to meeting this demand followed by renewables

- ❑ India's energy consumption grows by 4.2% p.a., faster than all major economies in the world
- ❑ India overtakes China as the largest growth market for energy by late 2020s
- ❑ Share of Oil in India's energy mix shows marked decline of 96 percentage points during period 2017-2040 over 1995-2017

- ❑ India's demand growth of 156% outpaces each of the BRIC countries: China (+28%), Brazil (+65%), and Russia (+7%)
- ❑ Demand of gas increased by +240% by 2040 over 2017 implying continuing reliance on gas imports although domestic gas production increases by 155% in 2040 over 2017.
- ❑ The share of coal in the energy mix falls from 56% in 2017 to 48% by 2040, while the share of renewables rises from 3% to 16%
- ❑ Power consumption more than trebles (+191%) with coal remaining the dominant fuel source still accounting for 80% of power generation in 2040.
- ❑ Industry continues remains the strongest source of energy demand along with the transport sector.

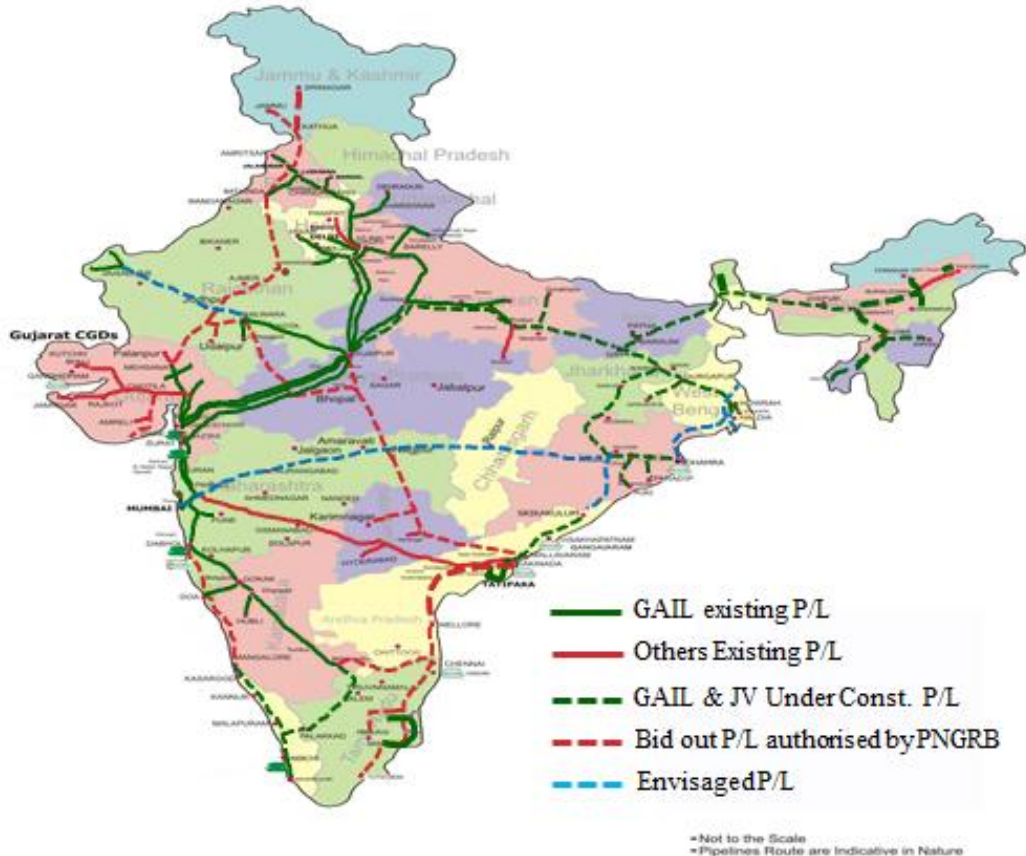
Global Primary Energy Basket – A Comparison

Region	Oil	Natural Gas	Coal	Nuclear Energy	Hydro electric	Renewables	TPE (MTOE)
World	34.2%	23.4%	25.4%	4.4%	6.8%	3.6%	13511.2
OECD	39.4%	25.7%	15.9%	7.9%	5.6%	5.4%	5605
Non- OECD	30.5%	21.7%	35.9%	1.9%	7.6%	2.3%	7906.1
Asia Pacific	28.6%	11.5%	48.4%	1.9%	6.5%	3.0%	5743.6
China	19.4%	6.6%	60.4%	1.8%	8.3%	3.4%	3132.2
India	29.5%	6.2%	56.3%	1.1%	4.1%	2.9%	753.7
Bangladesh	22.7%	69.4%	7.0%	-	0.6%	0.3%	33
Pakistan	36.1%	43.3%	8.8%	2.2%	8.7%	1.0%	80.9

(Source: BP Statistical World Energy Review, 2018)

- India is the 3rd largest energy consumer after China and US, 2nd in Coal and 3rd in Oil.
- Natural gas consumption in India is 6.2% (14th largest consumer)

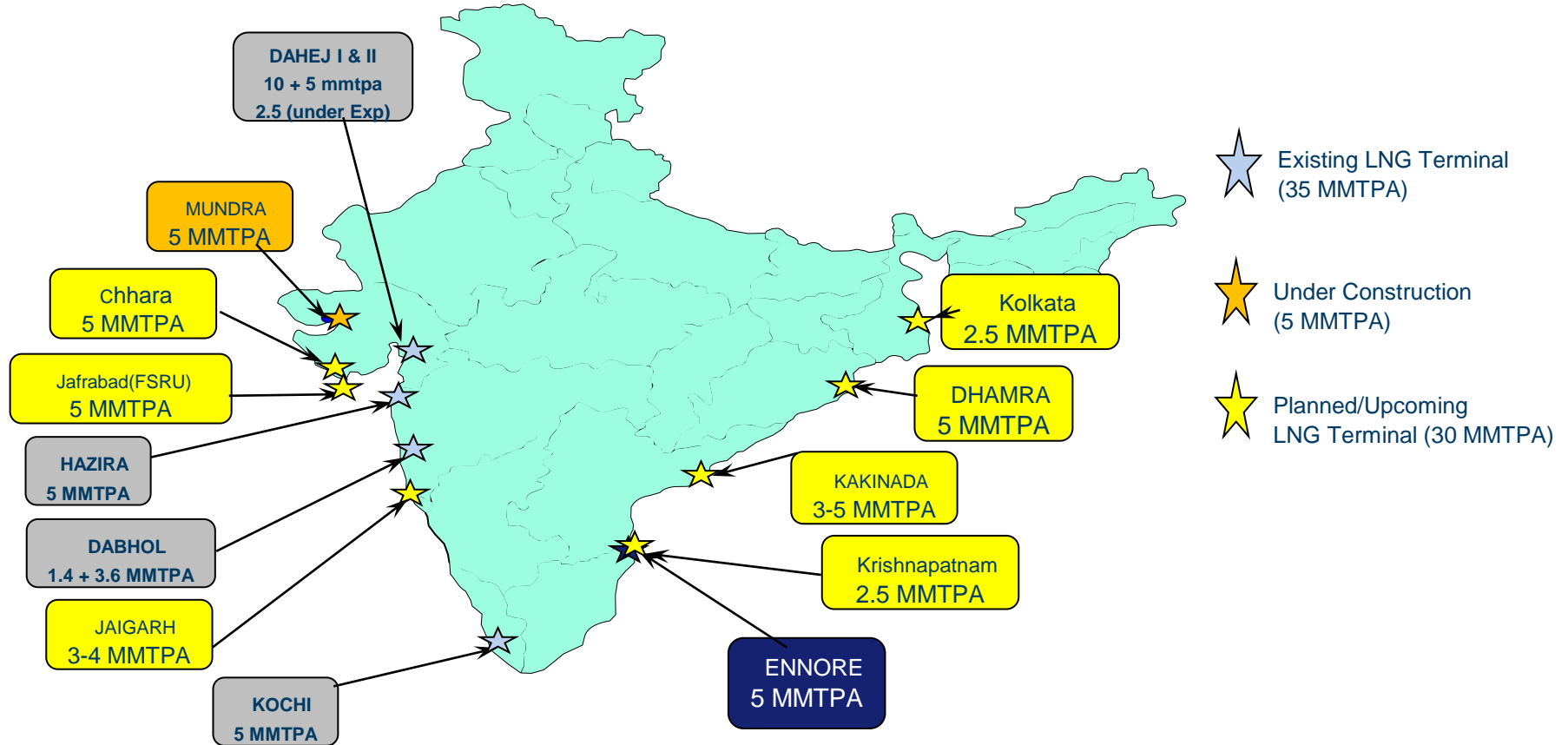
Gas pipeline infrastructure in India



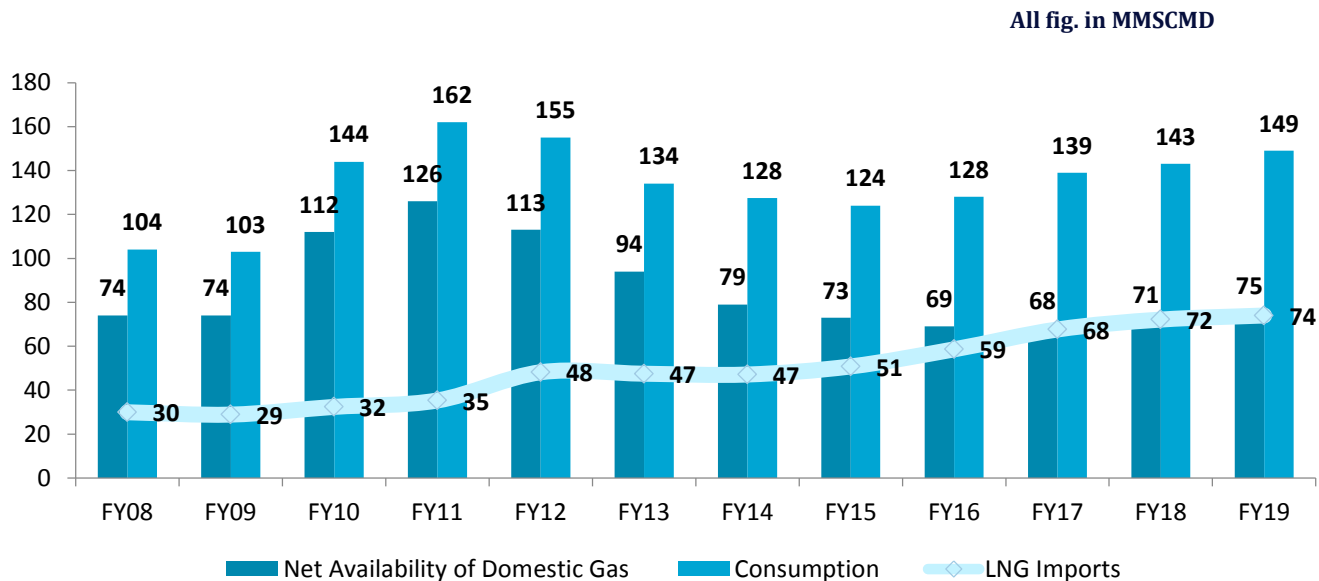
Pipelines	KM	Timeline
GAIL existing Pipelines	11400	Operational
Others existing Pipelines	5500	Operational
Total Existing Pipeline	16900	Operational
Under Construction by GAIL & JV	5681	2021-22
Under Const. - Indradhanush (NE grid)	1656	2022-23
Bid out Pipeline authorized by PNGRB	7756	Beyond 2022
Envisaged Pipelines	3270	Beyond 2022
Total NGG	35263	By 2022- 2023 & beyond

Arterial Grid expected to be in place by 2023 & beyond

Regasification Terminals in India



Historical production & consumption pattern



- ❑ LNG imports are increasing consistently over years.
- ❑ LNG consumption has increased but price affordability is still a challenge for Indian Gas market.

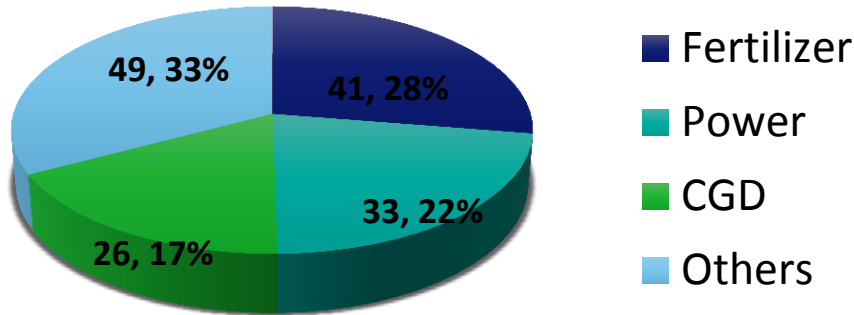
Source: PPAC . Net Availability of Domestic Gas is approx. 98% of gross production

Note.: Numbers for FY 2018-19 are provisional

Natural Gas consumption pattern – India (2018-19)

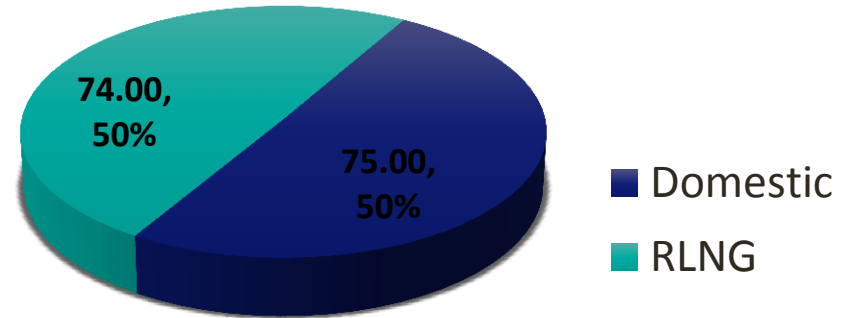
Sector-wise Break-up

Volume in MMSCMD



Gas-wise Break-up

Volume in MMSCMD This



Gas consumption during FY (2018-19), ~149 MMSCMD

Power and Fertiliser - Anchor Markets

Industrial and City Gas - Growing Markets

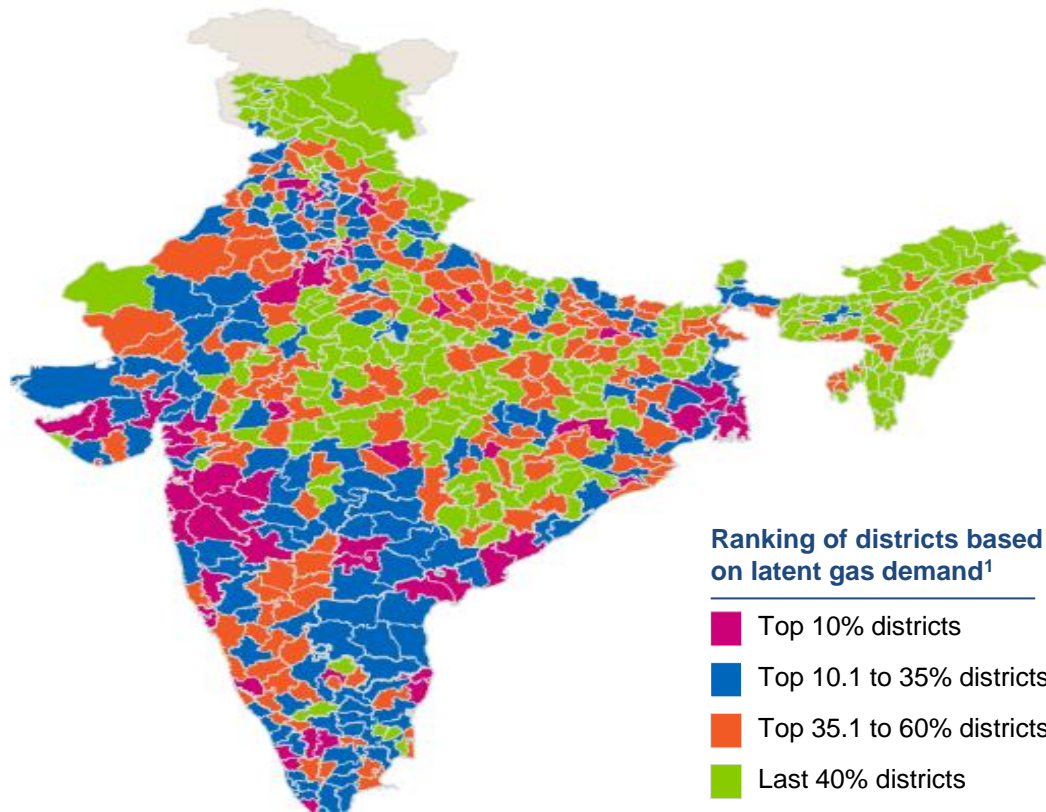
Source: PPAC

Note.: Numbers for FY 2018-19 are provisional. 149 MMSCMD excludes internal gas consumption of domestic gas producing companies.

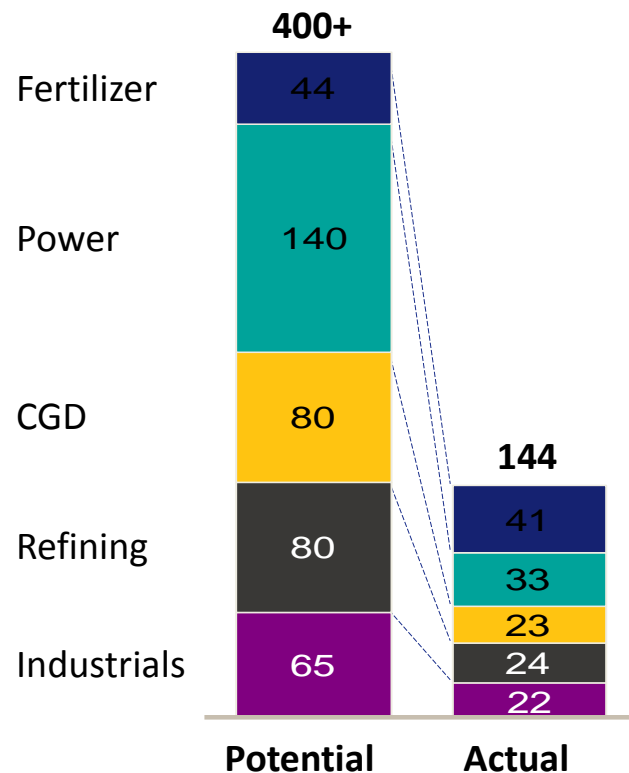
* Others includes Refinery, Petrochemicals, LPG, IC and Manufacturing etc.

Gas in India has considerable potential...

District-wise latent gas demand



Gas potential and actual, 2018, mmscmd



Petrochemical Business Outlook

- ❑ CAGR (2013-19) growth in Indian Petrochemicals industry ~ 14 %
- ❑ Indian Petrochemicals industry likely to reach \$100 billion by 2020
- ❑ India's per capita consumption of plastics is just 11 kg vs. China per capita consumption of 45 kg.
- ❑ World average per capita consumption of Plastics is ~28 Kg with US consuming as high as 109 Kg per capita
- ❑ Future Polymer demand growth is estimated ~6-7% p.a: Upside for Plastics in general and GAIL in particular

*India's per capita consumption is one of the lowest in Asia
India has big potential to grow & many opportunities*

Major Highlights of GAIL's Petrochemical Business in FY 2018-19

- ❑ Sold 1042 KTA of polymers (735 KTA - GAIL & 307 KTA - BCPL), which is highest ever sales
- ❑ Exports of polymers - 110,197 MTs during the year.
- ❑ **Other Initiatives**
 - ✓ Skill Development Program on "Plastic Product Manufacturing" with CIPET
 - ✓ Productivity Enhancement Program at customer premises

G-Lex

Growth drivers coupled with Capacity addition will result in growth in Top line as well as Bottom line for GAIL.

G-Lene

Petrochemical Business Outlook

Indian HDPE&LLDPE
Demand v/s Capacity-

HDPE+LLDPE (in KTA)	Actual	Projections	
	2018-19	2019-20	2020-21
Demand			
HDPE (1)	2,440	2,590	2,945
LLDPE (2)	2,105	2,380	2,293
HDPE + LLDPE	4,545	4,970	5,238
Capacity*			
HDPE + LLDPE	5,000	5,000	5,000

Indian HDPE & LLDPE Demand
to Surpass Capacity
By 2020-21

- ❑ PE demand grew at 7%
- ❑ Indian PE consumption to Surpass its Capacity by 2020-21
- ❑ HMEI's PE plant (1250 KTA) is likely to be commissioned by 2021-22
- ❑ Future demand drivers for 8-9% growth in PE
 - ✓ *Packaging Industry*
 - ✓ *Ecommerce driving packaging*
 - ✓ *Automobile /Construction Industry*
 - ✓ *Agriculture Industry*



Opportunities



Share of Natural Gas in Indian energy mix declined from 11% in 2010 to 6.2% in 2017



Gol has targeted increasing the gas share from 6.2% to 15% in the Primary Energy mix

- ❑ Gas consumption of ~300 MMSCMD is needed to reach 15% of PE mix



Huge investments are being made across the Natural Gas value chain:

- ❑ Gas Pipelines: Rs. 60,000 cr to 70,000 cr
- ❑ LNG terminals: ~ Rs. 25,000 cr
- ❑ Gas based Fertilizer sector : ~ Rs. 30,000 cr
- ❑ CGDs : Rs. 70,000 cr - 80,000 cr



E&P: Out of total 41,872 MMTOE estimated hydrocarbon reserves 29,796 MMTOE (3/4th) is still undiscovered (Source: DGH)



Petrochemicals : India's per capita consumption of plastics is just 11 kg vs. China per capita consumption of 45 kg.

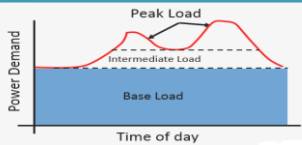
New Growth Areas from Gas & Govt. Thrust

Smart Cities



- NITI Aayog's 3 year agenda suggests extension of CGD to 100 smart cities
- NITI Aayog advocates to use gas for PNG and CNG
- Gas is ideal solution for assured and quality power with clean environment
- Essential to ban petcoke, diesel based power within city limits

Peaking Power



- Gas-fired plants - most responsive and flexible; Ideal for peaking power
- With growing renewables, gas based power can be positioned to balance grid
- Current installed capacity is 25,185 MW with only 22.5% PLF

CGD



- CGD has become the fastest growing sector in recent years
- Regulations like declaration of LPG Free zones, Public Utility status, Single window clearance can facilitate CGD sector growth



- LNG-run trucks represent a significant improvement over diesel fuel
- Building a network of fuelling stations to ensure the supply of LNG is major challenge

For Institutional Investors & Analysts



Shri A Rai,
Executive Director (Finance & Accounts)
E-mail ID: arai@gail.co.in

For Retail Investors



Shri A K Jha,
Company Secretary
E-mail ID: ak.jha2@gail.co.in



GAIL (India) Ltd.

India's **Youngest** Maharatna

16, Bhikaiji Cama Place, R.K. Puram, New Delhi-110066

www.gailonline.com



Table of Contents

1

Company Overview

2

Performance Highlights

3

Industry Outlook & Strategy

4

Questions & Answers

Questions & Answers

