



Letter from CMD, GAIL

“Our business philosophy is to grow in a manner that is sustainable for the economy, the stakeholders, the community and the environment.”



Dear Shareowners,

Greetings!

Congratulations on yet another successful year of growth and achievements for your Company. The **top-line grew by a remarkable 30%** to reach ₹ 32,459 crore and the market capitalization crossed ₹ 58,000 crore by the end of the year. We are consistently moving forward towards greater heights.

Globally, there is an increasing thrust on developing cleaner energy sources and clearly, the spotlight is on natural gas. In Asia itself, gas consumption in China and India grew at a galloping rate of 21.8% and 21.5% respectively, in the year 2010. These two emerging energy powerhouses – China and India – are re-defining the Asian gas markets. In this scenario, it will be particularly gratifying for you to know that your Company has been ranked as **“Asia’s No. 1 Gas Utility Company”**, and globally, **“No. 2 Gas Utility Company”**, in Platts Top 250 Energy Company rankings. It underscores the rise of Asian companies among global energy majors and the strong position of your Company in the global gas-utility space.

India is slated to become the world’s 3rd largest consumer of energy by 2025, and growing climate change concerns will play a significant role in

increasing the demand for clean energy sources like natural gas. In order to leverage the opportunities, your Company is taking effective steps to consolidate its position in the entire gas value chain. The underlying philosophy of your Company is **to grow in a manner that is sustainable** for the economy, stakeholders, community and environment.

The implementation of the projects and initiatives as per the existing Strategic Plan, 2007-2012 is moving as envisaged. With the execution of on-going cross-country gas pipeline projects, your Company will augment its pan-India presence with a total pipeline network of about 14,500 kms. The doubling of capacity of gas-based Petrochemical Plant at Pata, at an investment of ₹ 8,140 crore, is also on fast-track.

Going forward, in order to accelerate your Company's growth in the next decade, **Strategy 2020** has been drawn-up by the Board. One of the key targets that your Company has set for itself under this strategic plan is to **reach a turnover of ₹ 1 lakh Crore by 2016-17.**

The key strategic directions that have emerged for your Company from this strategic plan include, strengthening its core business areas in natural gas value chain through LNG sourcing, securing equity gas through Mergers & Acquisitions, an aggressive push to

Exploration & Production efforts, continued expansion of pipeline networks, and increasing capacities in petrochemicals. Besides all of this, city gas projects will continue to remain at the heart of our initiatives to take clean energy to the common man. Strategy 2020 also aims to tap emerging potential in gas-based power, renewable power from wind and solar, unconventional energy sources like Shale Gas and Coal Gasification. Thrust would also be given to seeding investment in emerging technologies like Fuel cells and Hydrogen. This will enable your Company to play an important role in developing the share of cleaner energy in India's overall energy mix.

At the organizational level, major emphasis is being given to capability building and continuous re-engineering of work processes in order to **develop robust enterprise architecture** and **to enhance the quality of decision making with reduced cycle-times.** Your Company will continue to strengthen the knowledge management system in the organization through greater emphasis on IT and technology.

Continuing with its value of '**business-beyond-profits**', your Company remains committed to the vision of achieving sustainable growth for the nation. With increased allocation and well-structured CSR activities, your Company continues to

make a meaningful difference in the lives of many people in the areas of its operations and beyond.

To conclude, your support is a great motivator for Team GAIL and it is our constant endeavour to drive your Company ahead in a faster and responsible manner. I am confident that your Company will cross many new milestones in the years to come by leveraging its strengths and tapping in on new opportunities. Your continued trust in the Company and our unstinting efforts to excel will continue to take your Company onto more rewarding journeys ahead.



(B.C. Tripathi)
Chairman and Managing Director