

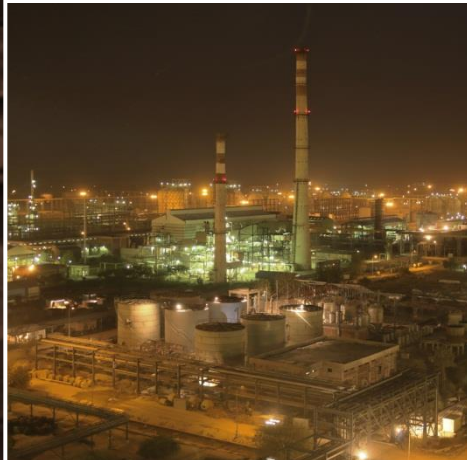


GAIL (India) Ltd.

India's **Youngest** Maharatna

Investors' & Analysts' Meet

May 28, 2015
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. Introduction | 1 |
| 2. Performance Highlights | 2 |
| 3. Industry outlook & Strategy | 3 |



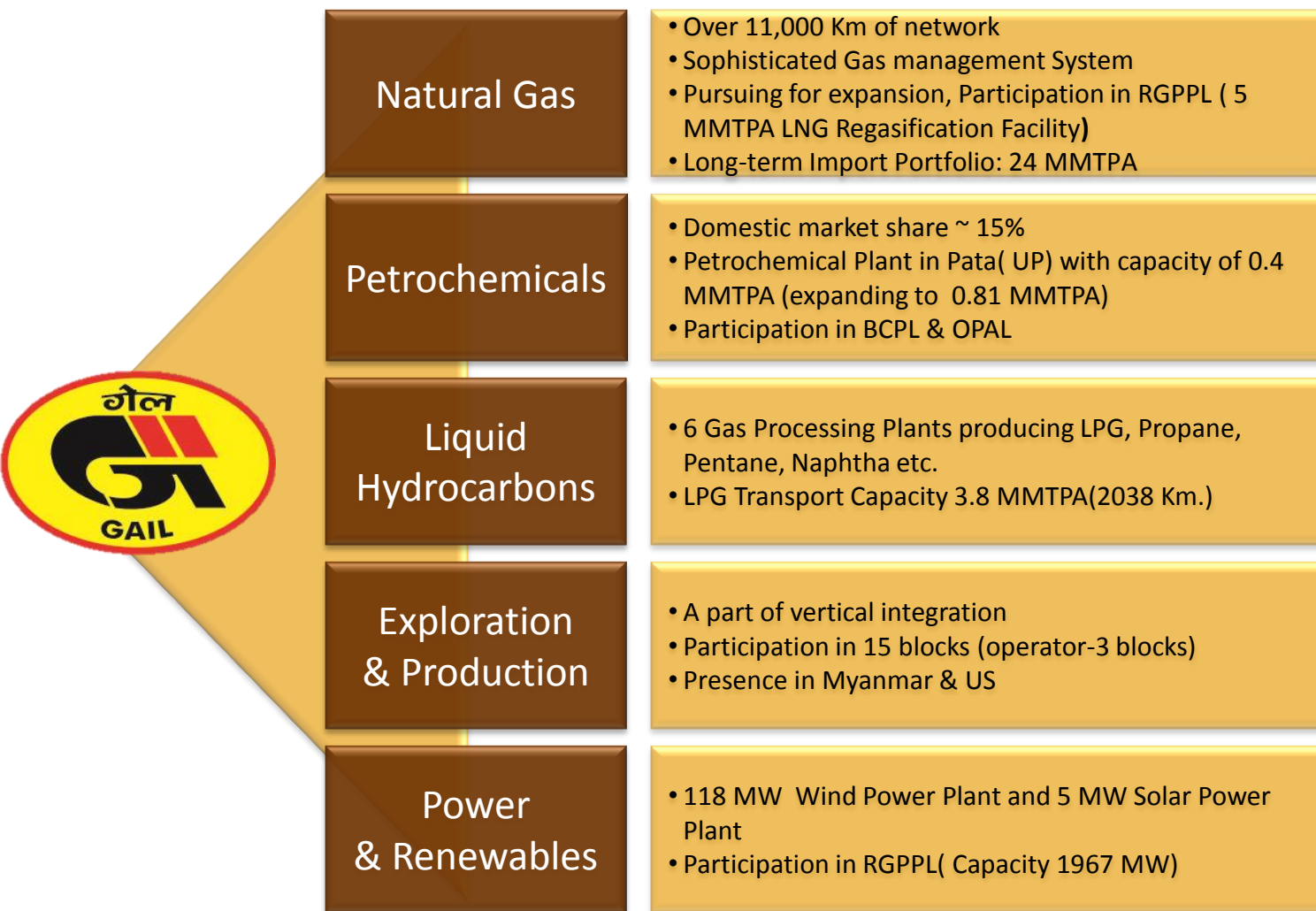


GAIL (India) Ltd.

India's **Youngest** Maharatna

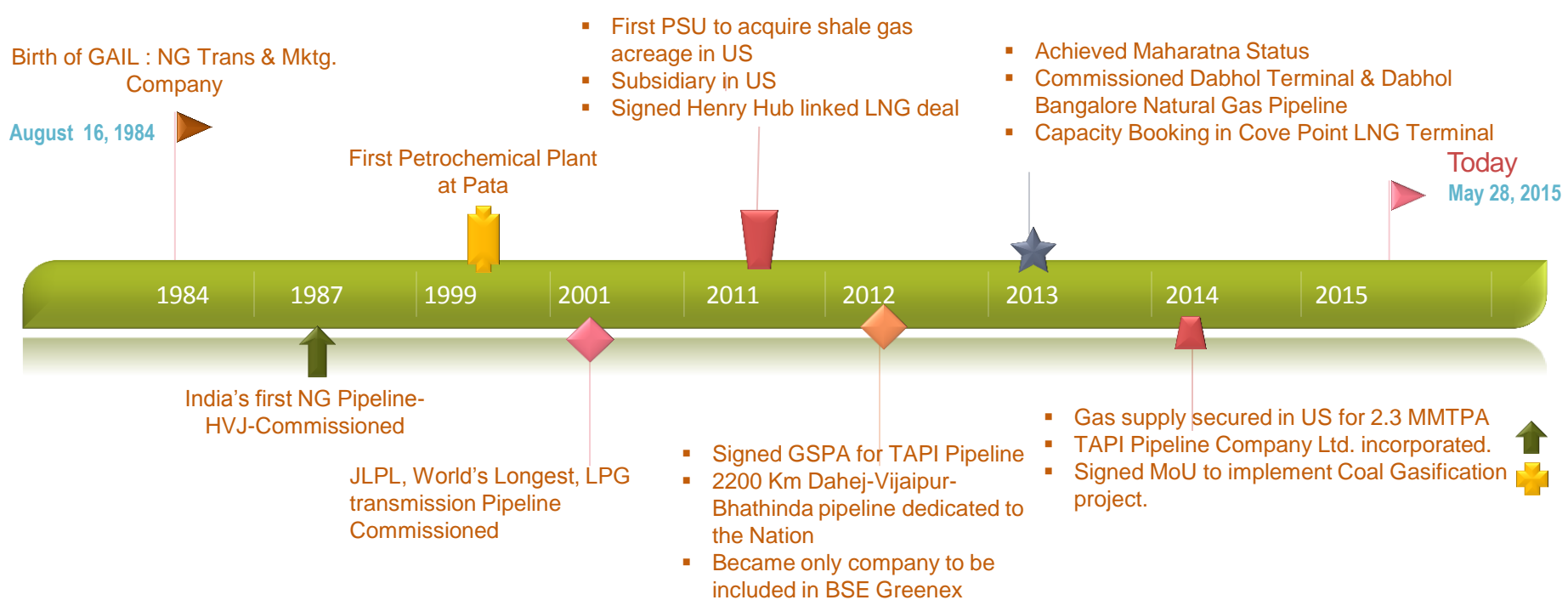
1. Introduction

An Introduction



India's No. 1 Natural Gas & youngest Maharatna Company with visibility across entire gas value chain

Energized Performance



Operates **3/4th** of the total NG transmission in India

Contribute to more than **1/2** of the natural gas sold in India

Produces **1/5th** of the polyethylene produced in India

Responsible for **1/4th** of India's total LPG transmission

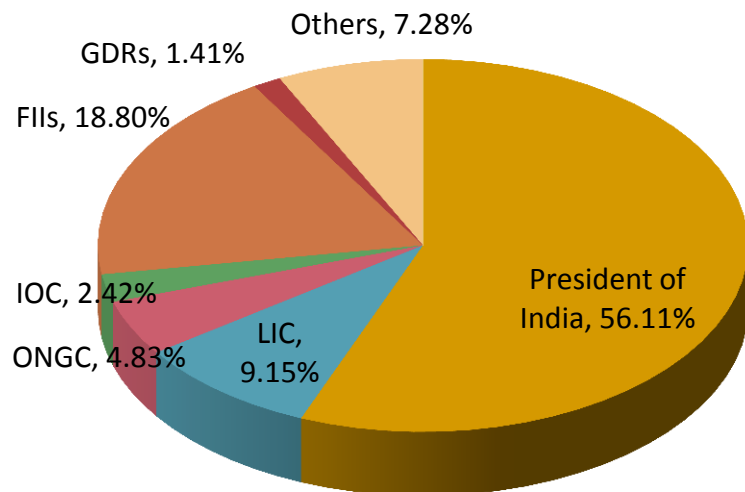
Produces every **12th** LPG Cylinder in India

Supplies gas for about **1/2** of India's fertilizer produced

Supplies gas for about **1/2** of India's gas based power

As India's youngest Maharatna, we have created a strong Foundation for Long-term growth.

Shareholding Structure



Top Shareholders other than GoI % Shareholding

| | |
|-----------------------------|--------|
| LIC | 9.15 % |
| ONGC | 4.83 % |
| IOCL | 2.41 % |
| Matthews Pacific Tiger Fund | 1.91 % |
| LIC P&GS Fund | 1.41 % |

Listed on BSE : 15th May 1997/
Listed on NSE : 2nd April 1997
GDRs listed on LSE in 1999

Share Price (52 Wk. High/Low):
₹ 551.35 (31st Oct'14) / ₹ 356.7 (8th May'14)
Market Cap: ₹ 49325 Cr.

Number of Shares: 126.848 million

FY 15 Dividend(Interim)/share: ₹ 3.00 per share

Source: BSE Website

Note: All data as on 31st March 2015 as per BSE website



GAIL (India) Ltd.

India's **Youngest** Maharatna

2. Performance Highlights

Major Highlights of FY15

Sales Turnover - ₹56,569 Cr

Profit After Tax - ₹3,039 Cr

Subsidy shared ₹1000 Cr towards under-recoveries of OMCs

Capitalization of Petrochemical Project in Mar'15 - ₹6842 Cr

Long Term Borrowing - ₹500 Cr (INR Bonds)

Loan Repayments - ₹1646 Cr incl. Prepayments of ₹900 Cr

Average Liquid Hydrocarbon(LHC) price realization for FY15 over ₹47,000/MT

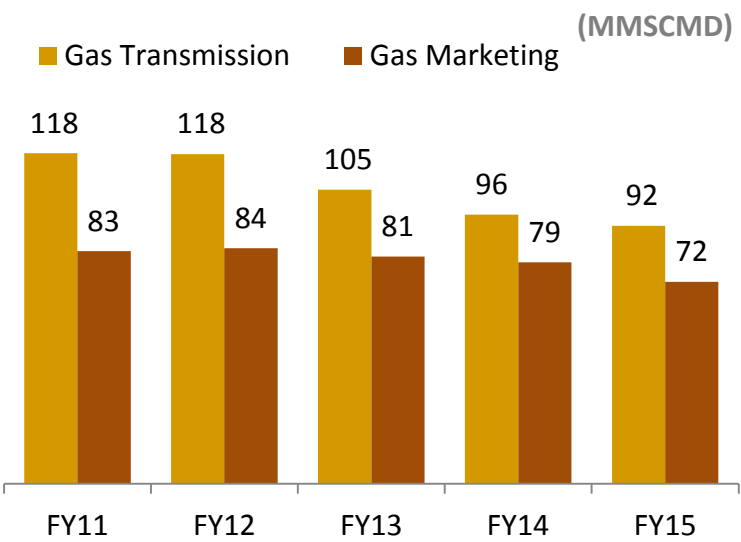
Average Polymer price realization for FY15 over ₹1,00,000/MT

E&P Revenue from Myanmar (Net of Royalty & Govt. Share) ₹455 Cr

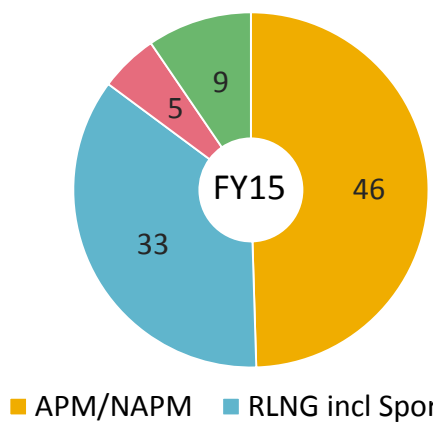
Profit on sale of asset – CGD business to Vadodara Gas Ltd. ₹63 Cr

Physical Performance

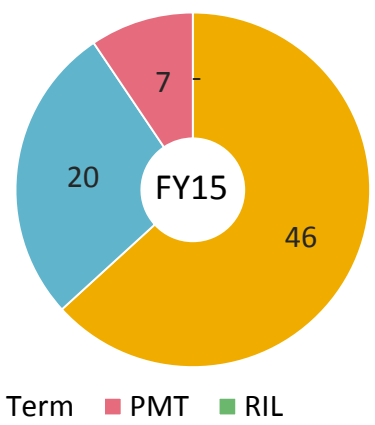
Gas Volume Trend



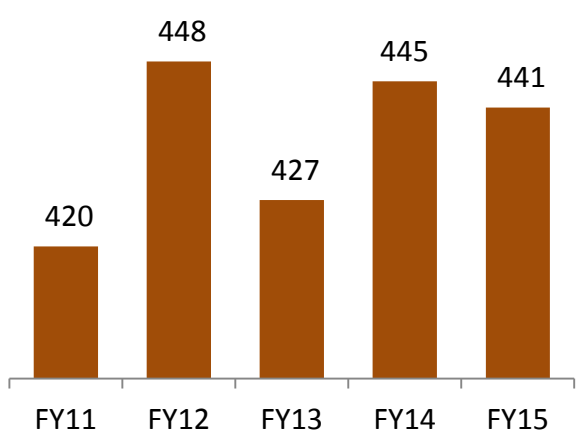
Gas Transmission Mix (in MMSCMD)



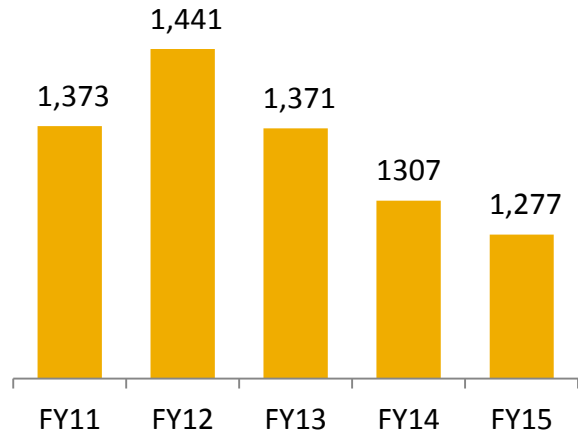
Gas Marketing Mix (in MMSCMD)



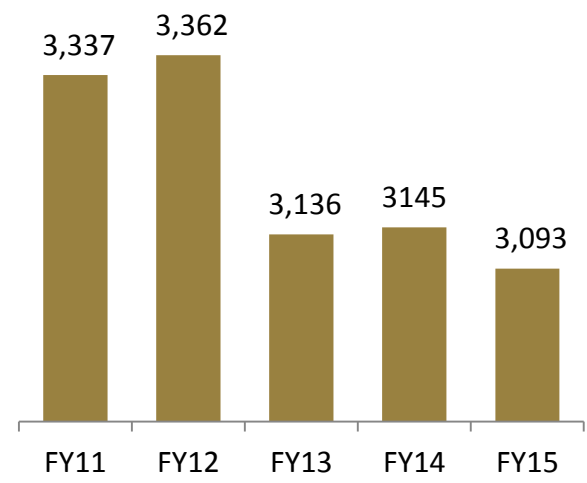
Petrochemicals Sales



Liquid Hydrocarbons Sales

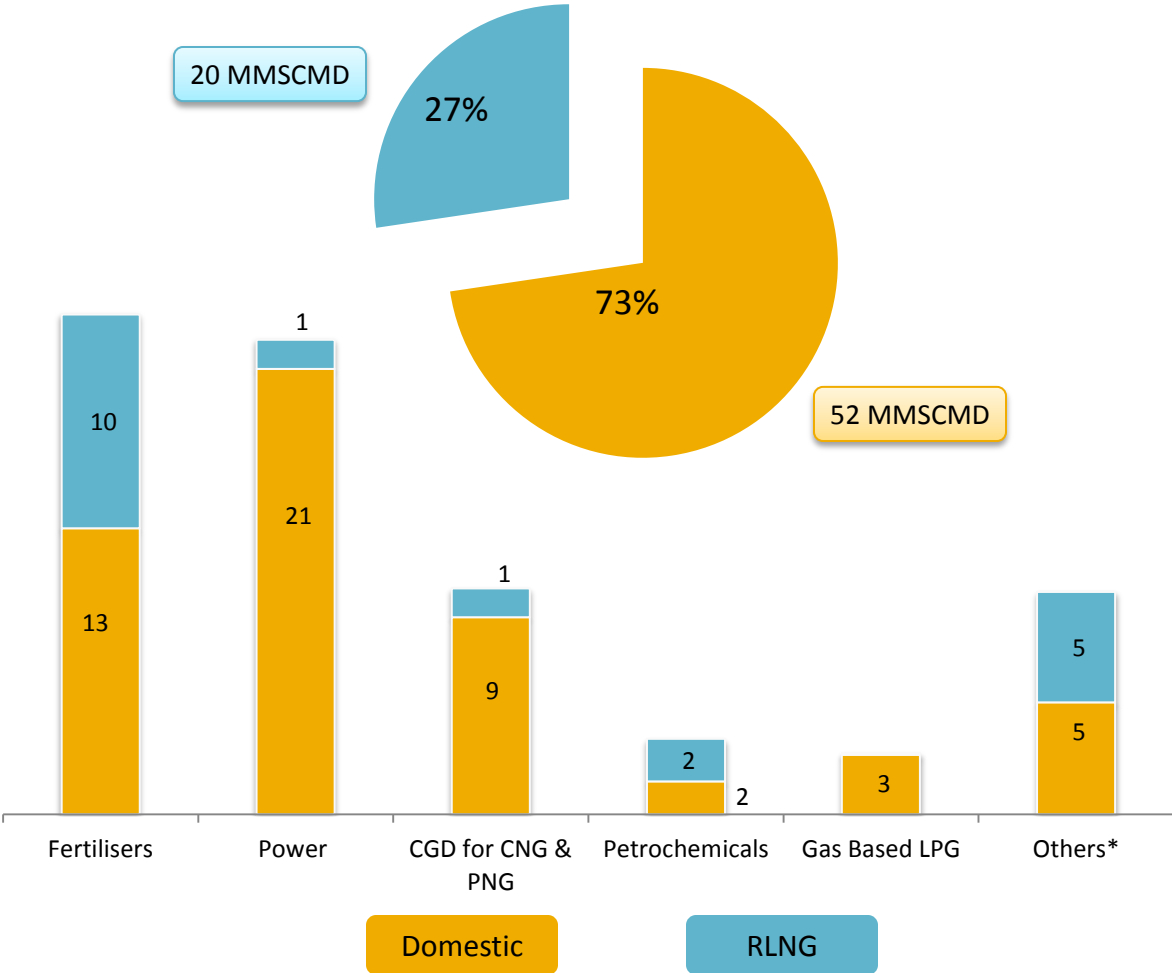


LPG Transmission



Gas Sourcing & Sector Wise Supply – FY15

(MMSCMD, % share)

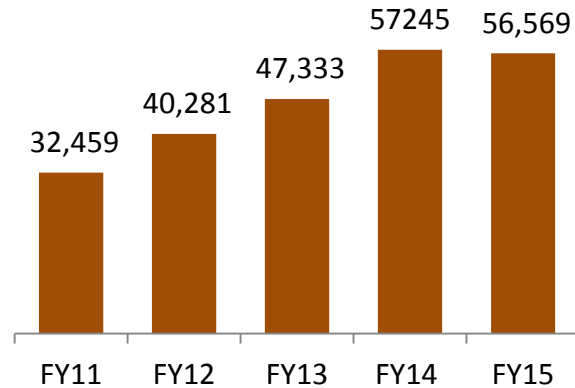


- ❑ Imported Gas primarily consists of Long Term RLNG, Mid Term RLNG and Spot
- ❑ Major sources for domestic gas are ONGC(APM & Non APM), PMT at APM & PSC prices ,Ravva, Ravva satellite etc.
- ❑ Highest demand of Natural Gas from Power & Fertilizer companies

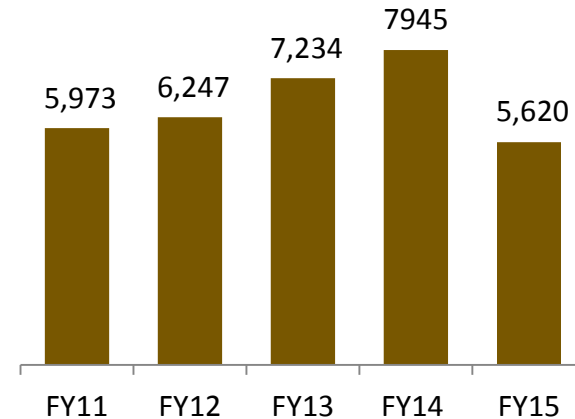
* Others include Steel, Refineries, Sponge Iron etc.

Financial Performance (Standalone)

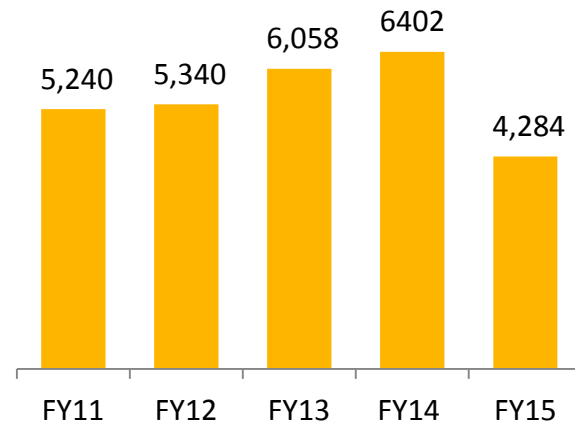
Sales (net of ED, in ₹ Cr.)



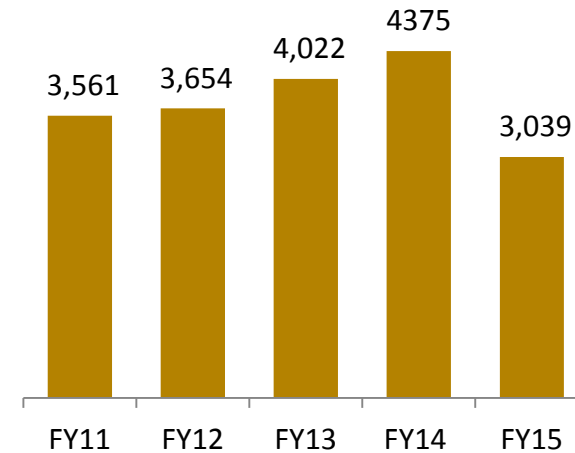
Gross Margin* (PBDIT, in ₹ Cr.)



PBT* (in ₹ Cr.)

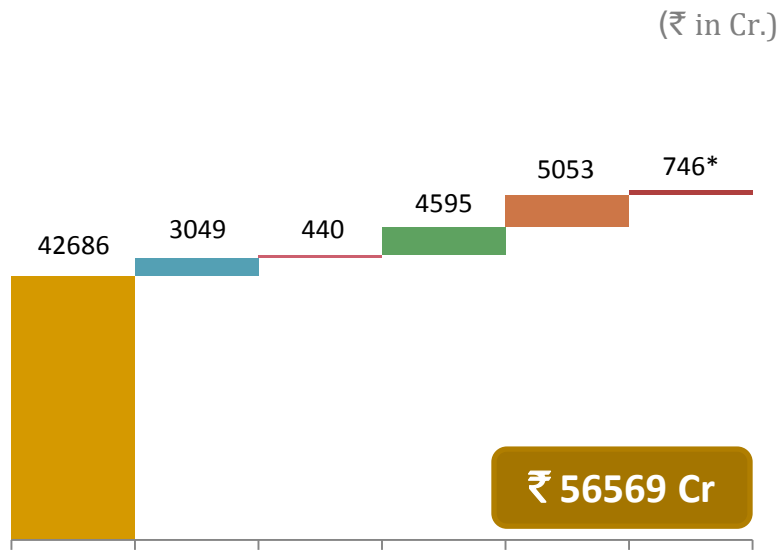


PAT (in ₹ Cr.)

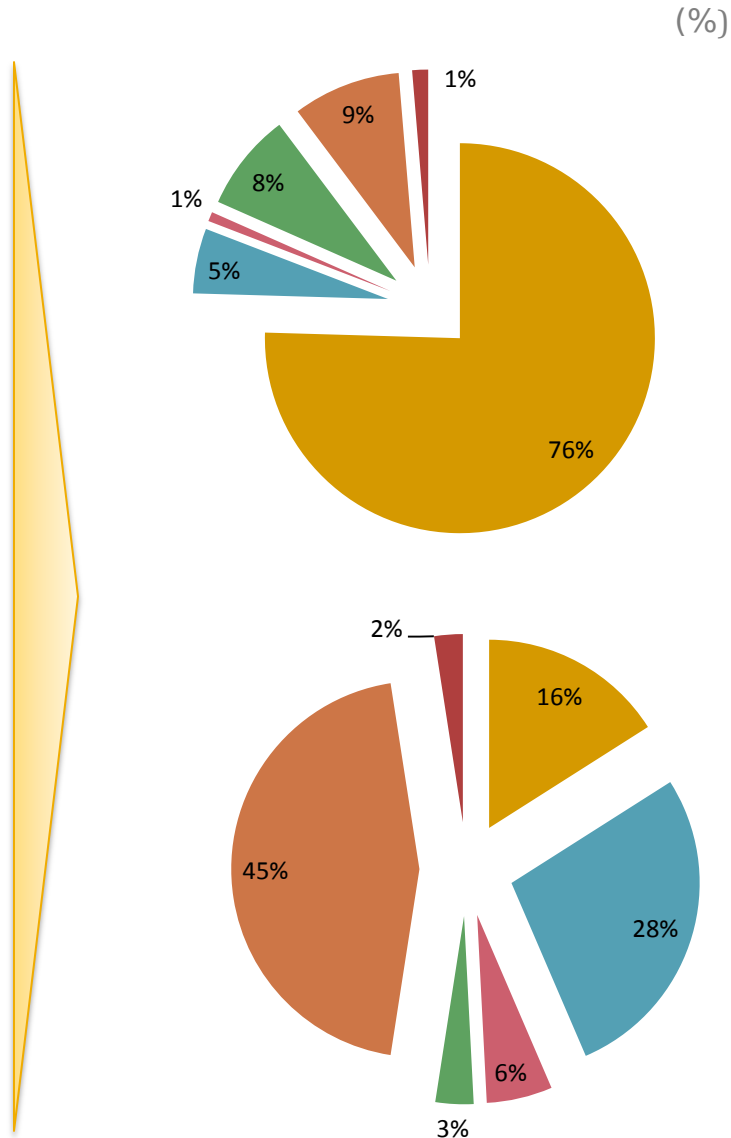
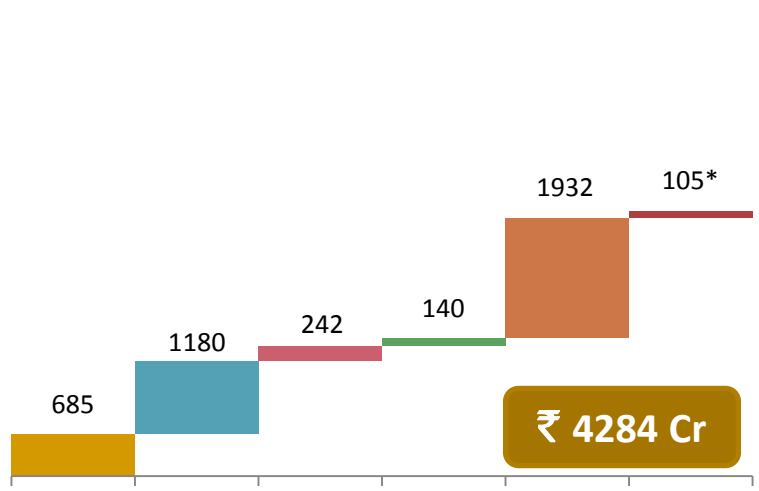


Segment-Wise Breakup – FY15

Turnover (Net of ED)



Profit before Tax



- Gas Marketing
- NG Transmission
- LPG Trans
- Petrochemicals
- Liquid Hydrocarbons
- Unallocated incl. E&P

* Incl. exceptional items

Major Variance in Profitability – FY14 vs. FY15

Negative Variances

- Increase in Gas & Power cost of Petrochemicals by ~ ₹ 1550 Cr
- Decrease in Average LHC Prices led to a negative impact of ~ ₹ 1130 Cr.
- Decrease in Profitability of Gas marketing Segment by ~ ₹ 910 Cr
- Impact of retrospective PNGRB Tariff Reversal in FY15 of ~ ₹ 440 Cr.
- Increase in E&P expenses including dry well expenses by ~ ₹ 200 Cr.
- Increase in Repair & Maintenance expenses due to preventive maintenance activities by ~ ₹ 140Cr
- Decrease in LHC Sales Quantity leading to a negative impact of ~ ₹ 170 Cr.
- Decrease in other income from Profit from Stake Sale in China Gas - ~ ₹ 340 Cr

Positive Variances

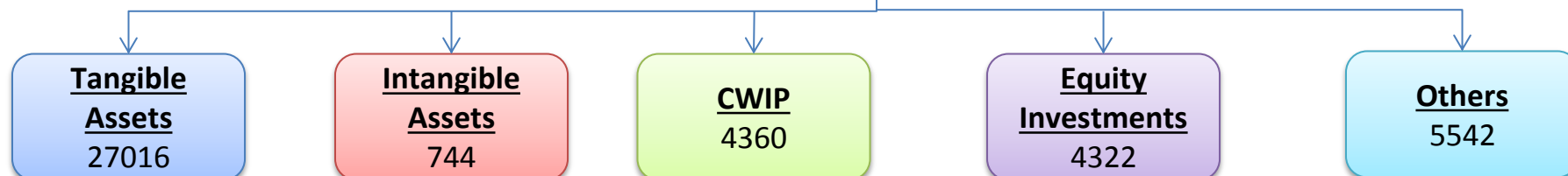
- Decrease in Gas & Power cost of Liquid Hydrocarbons by ~ ₹ 1230 Cr
- Decrease in LPG Subsidy by ₹ 900 Cr
- Increase in E&P revenues (Net of Govt. share & Royalty) by ~ ₹ 400 Cr
- Decrease in Depreciation by ~ ₹ 200 Cr
- Increase in Avg Polymer Price in FY15 Vs. FY14 leading to positive impact of ~ ₹ 90 Cr
- Profit on sale of CGD Business to Vadodara Gas Limited – ~ ₹ 60 Cr

Balance Sheet – 31.03.2015

(₹ in Cr.)



Capital Employed
41,984



| | |
|--------------------------|--------------|
| NG Pipelines incl. Comp. | 24885 |
| Petrochemicals | 10537 |
| LPG Pipeline | 1754 |
| LHC Plants | 1705 |
| E&P assets | 1129 |
| Wind Power | 774 |
| Others | 605 |
| Gross Block | 41389 |
| Less Acc Dep | 13630 |
| Net block | 27759 |

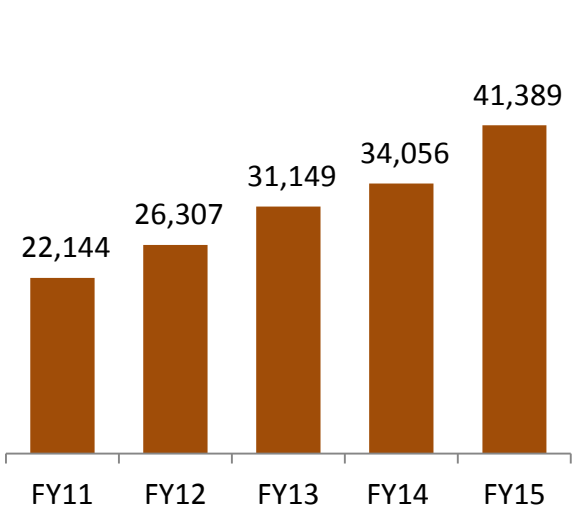
| | |
|--|-------------|
| Linepipes & related facilities | 2442 |
| Petrochemicals | 1249 |
| Exploratory & Development Well in Progress | 461 |
| Others | 208 |
| CWIP | 4363 |

| | |
|---|-------------|
| Working capital | 2345 |
| Non Current assets less Non Current Liab. | 3197 |
| Others | 5542 |

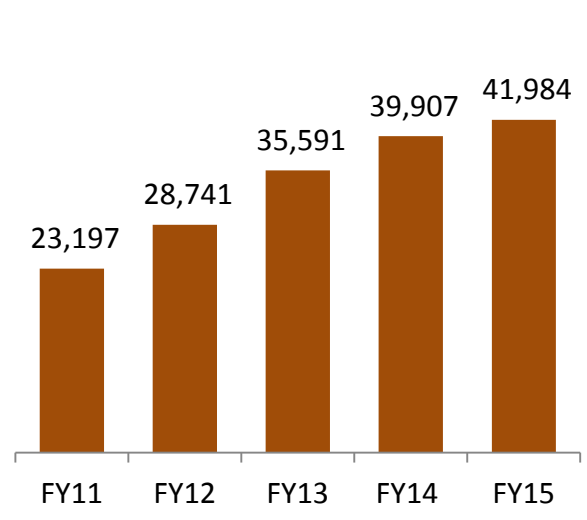
* Includes Short term borrowings of ₹ 234 Cr

Financial Profile

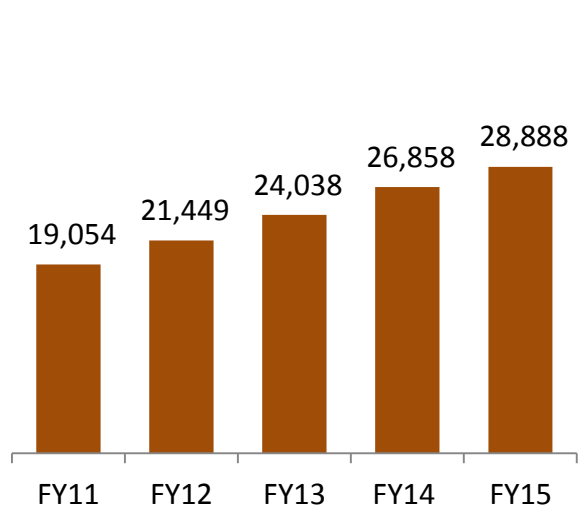
Gross Block (in ₹ Cr.)



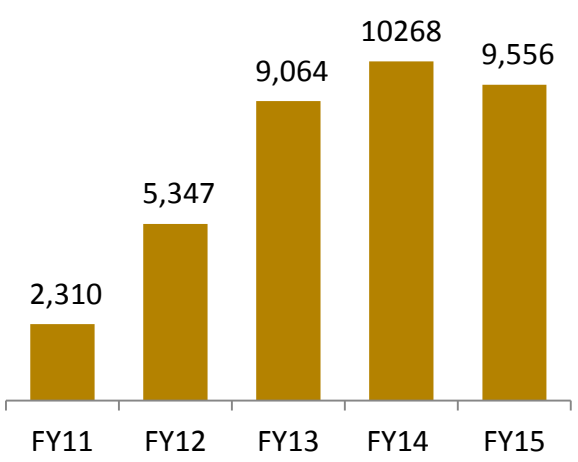
Capital Employed (in ₹ Cr.)



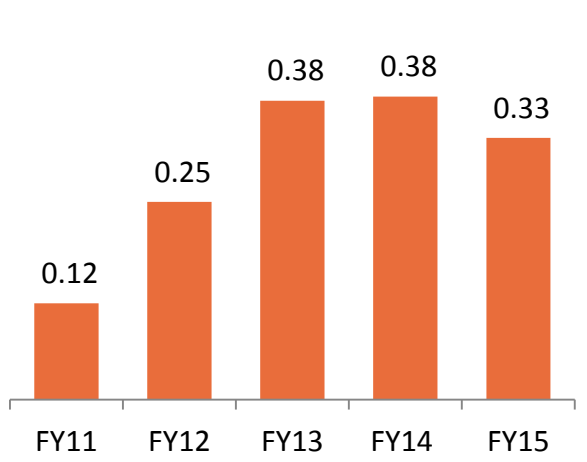
Net Worth (in ₹ Cr.)



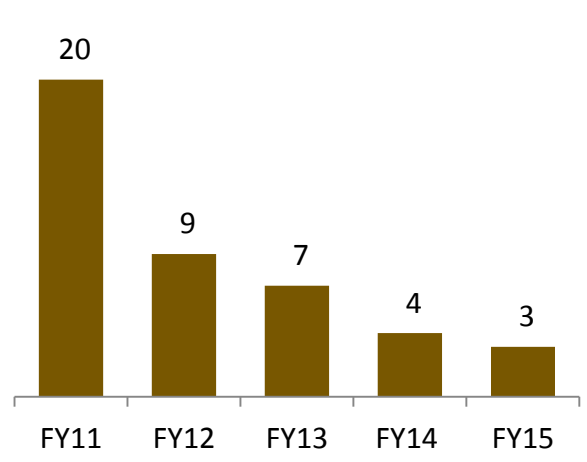
Loans* (in ₹ Cr.)



Debt to Equity Ratio



Debt Service Coverage Ratio (DSCR)

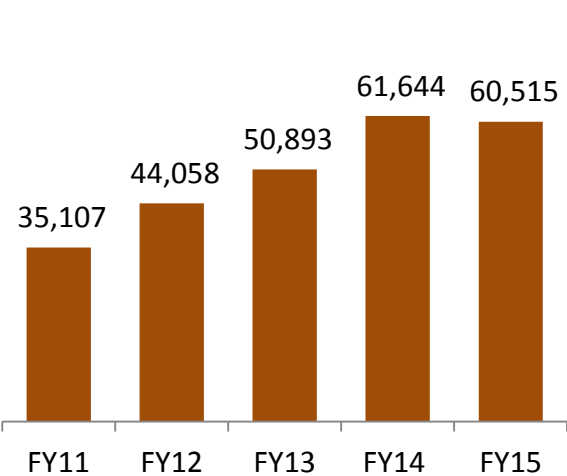


* Incl. Short Term Borrowings of ₹ 234 Cr.

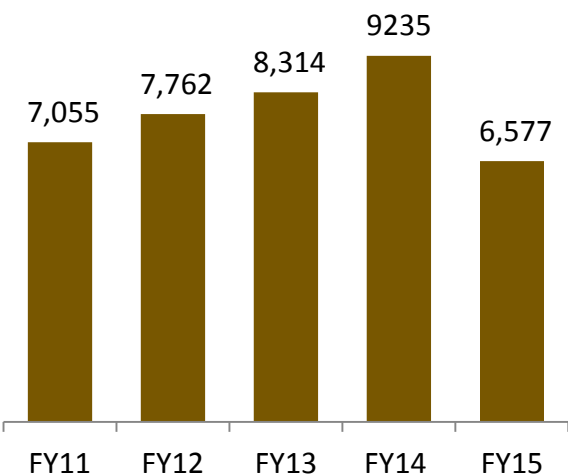
Financial Performance on Consolidated basis

(₹ in Cr.)

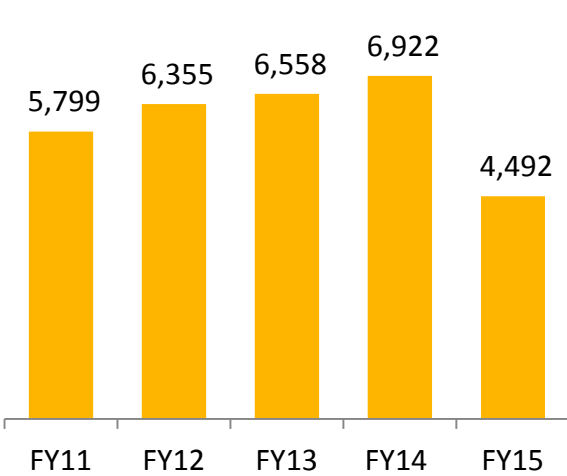
Sales(net of ED)



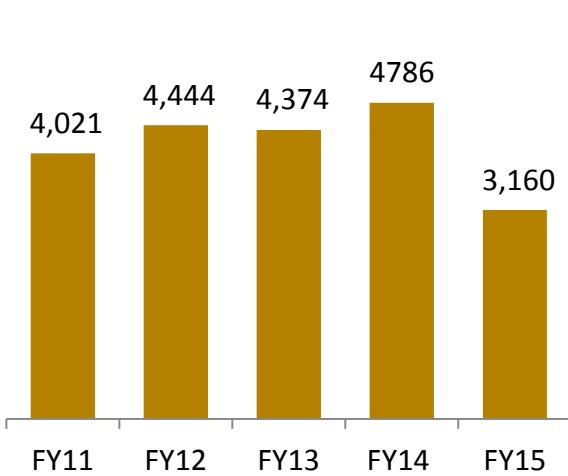
Gross Margin (PBDIT)



Profit before Tax



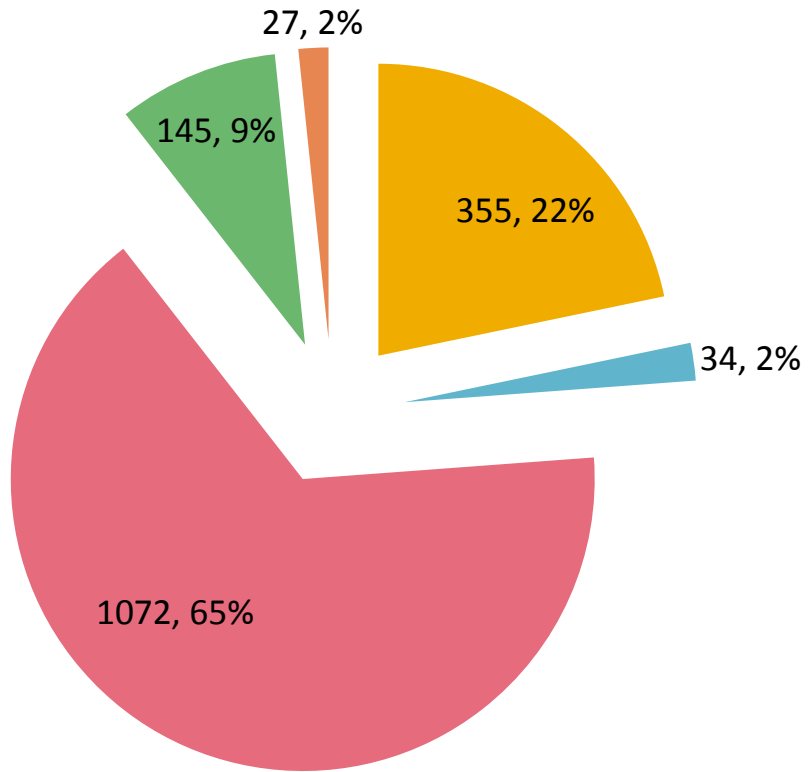
Profit after Tax



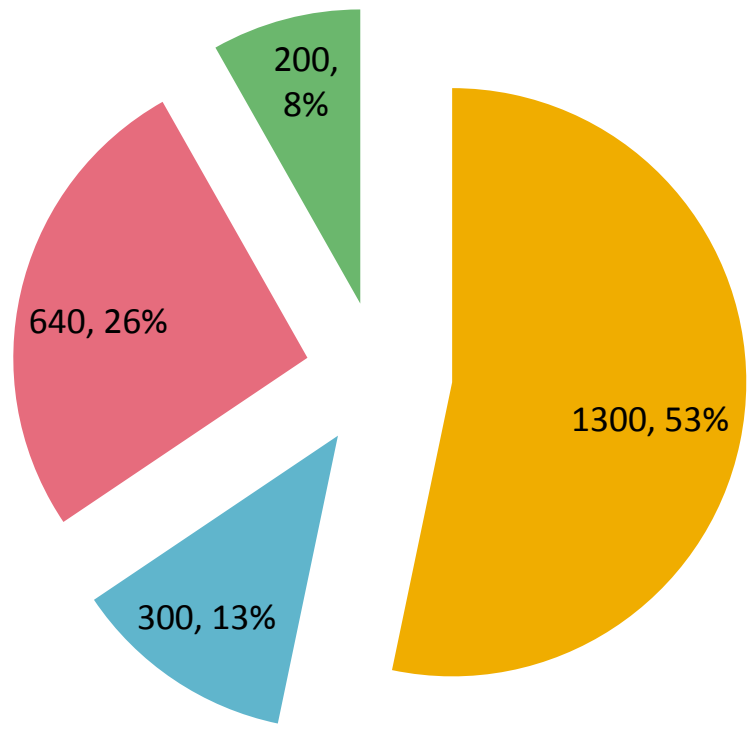
Estimated Capex & Borrowings

(₹ in Cr.)

FY14-15
₹ 1633 Cr



FY15-16
₹ 2440 Cr



■ Pipeline
 ■ Equity Contribution
 ■ Petrochemical
 ■ E&P
 ■ Others

Estimated Borrowings during FY15-16 – ₹ 1000 Cr



GAIL (India) Ltd.

India's **Youngest** Maharatna

3. Industry Outlook & Strategy

By 2040

2 Billion more people

on the planet

130 percent

larger global economy

about 35 percent

greater demand in energy

non-OECD countries

Like China & India will lead the growth in energy demand

about 60 percent

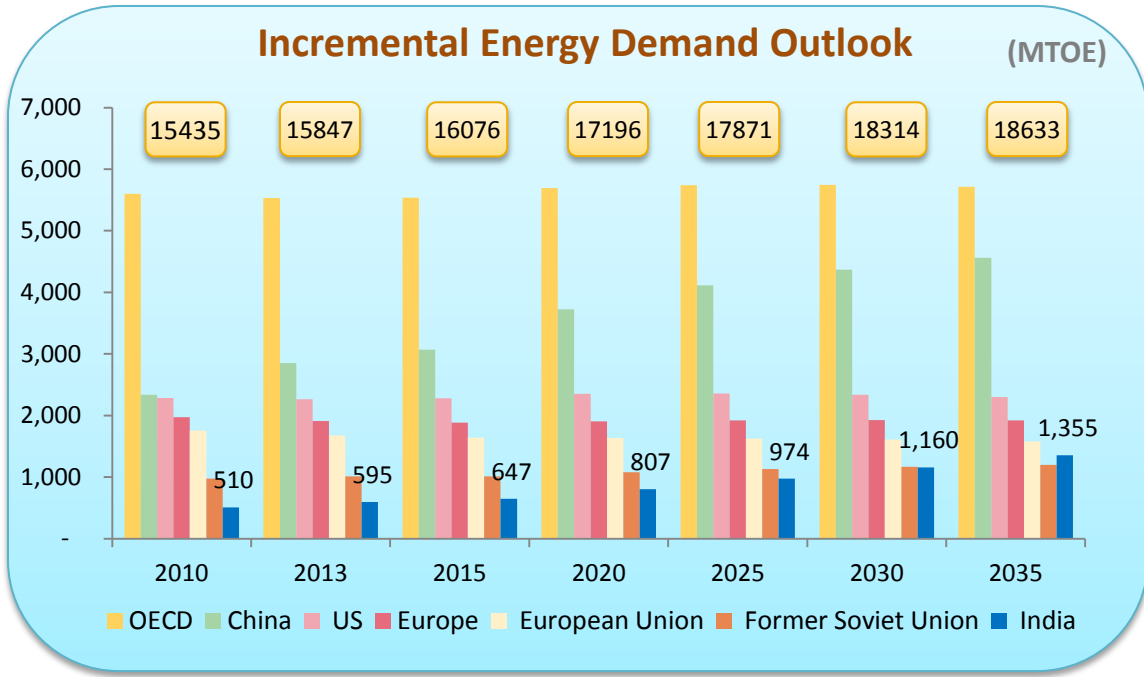
of demand supplied by Oil & Natural Gas

Natural Gas surpass Coal

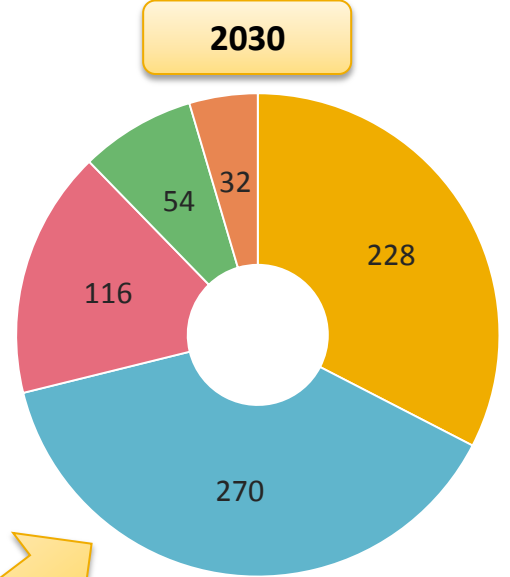
as second largest fuel source



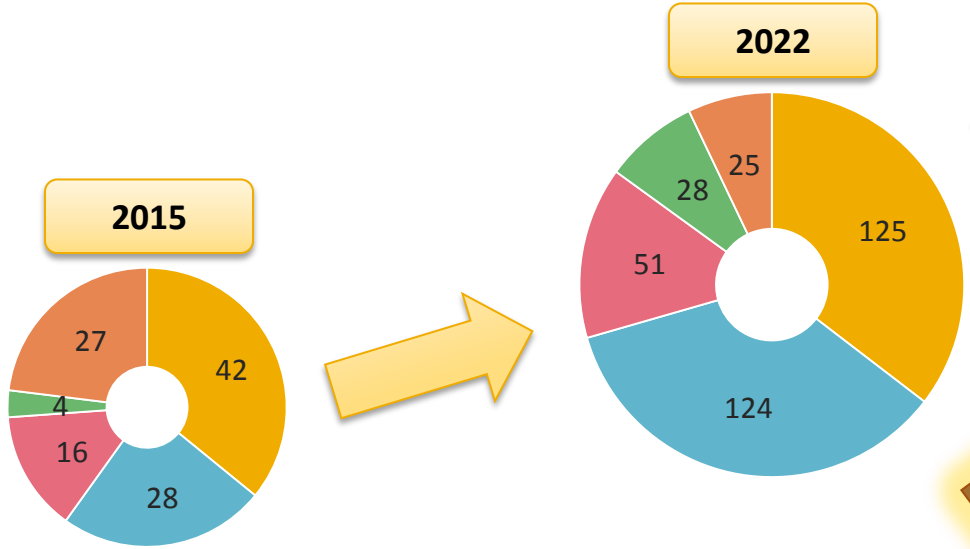
Incremental Growth in Energy & Natural Gas Demand



Projected India's Sectoral Demand of Natural Gas (MMSCMD)



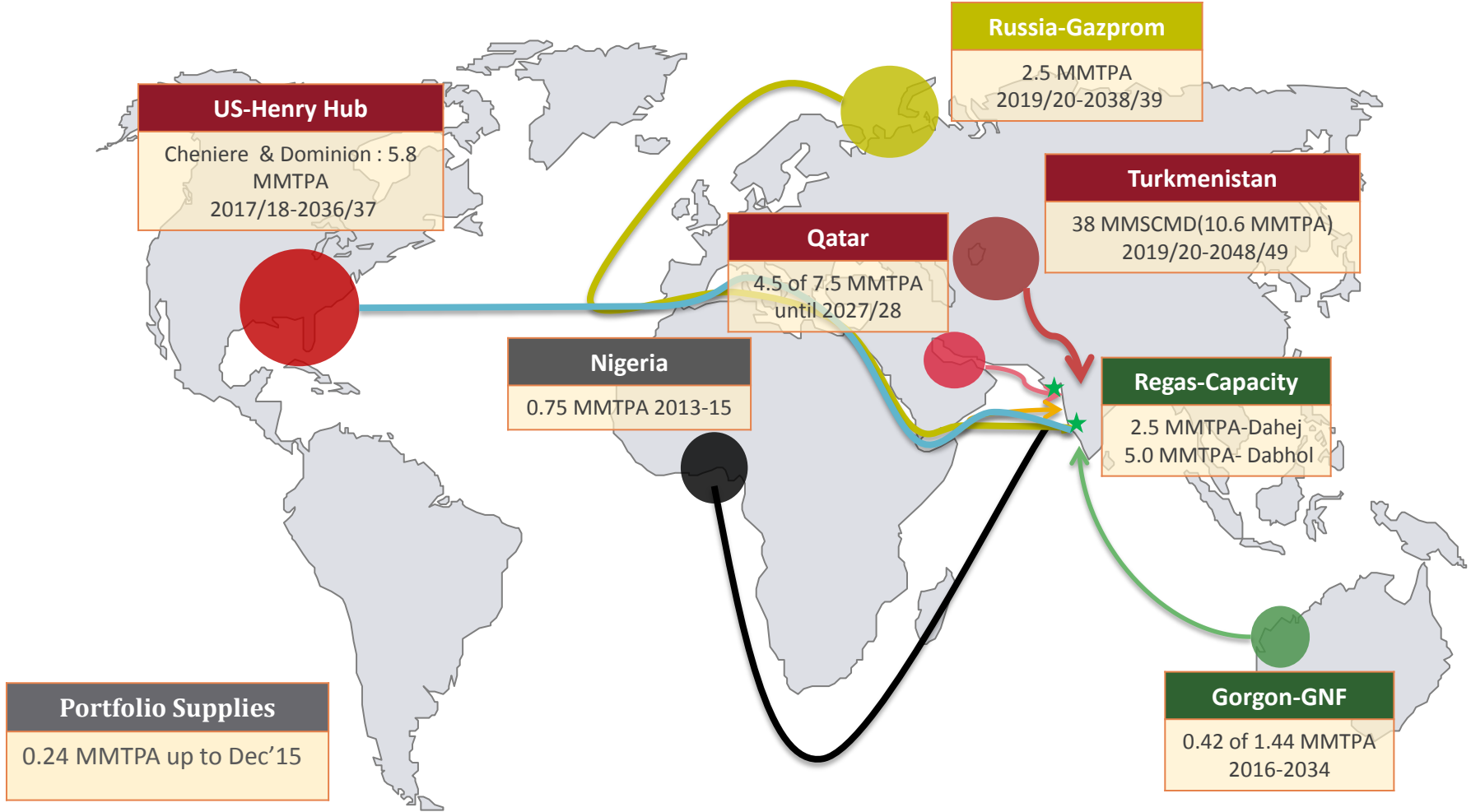
- Fertilizer
- Power
- CGD
- Petchem
- Sponge Iron



Significant Growth in India's Sectoral Demand of Natural Gas

SOURCE: BP Outlook 2035, February 2015/ Booz & Co Analysis for GAIL (India) Ltd

Diversified Gas Sourcing



Long-Term Import Portfolio

Quantity:- 23.8 MMTPA(~85.6 MMSCMD)
 Diversified sourcing across geography: Russia, Middle-East, Australia, USA

Diversification across Price Indices

Henry Hub :- 24.5% (5.8 MMTPA)
 Japanese Crude Cocktail :- 31% (7.42 MMTPA)
 Oil :- 44.5% (10.6 MMTPA)

Map Not to scale

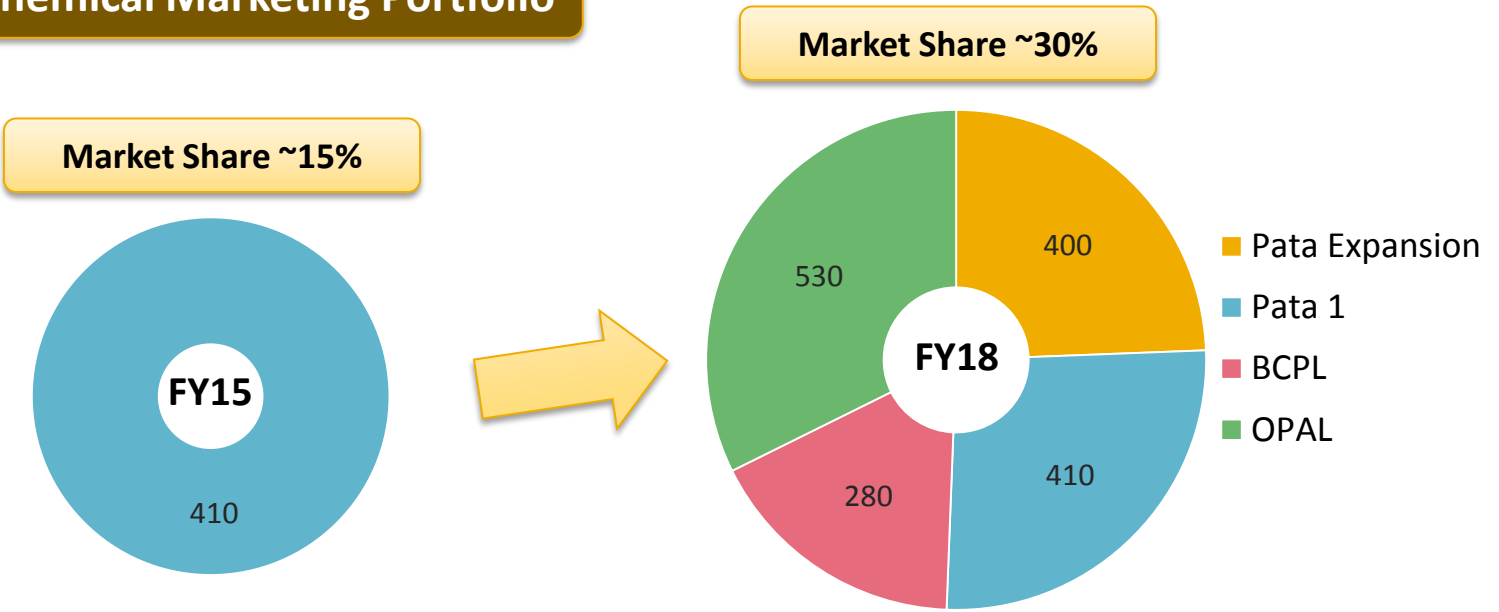
Rising Petrochemical business

Shaping Growth of Petrochemicals in India*

- ❑ CAGR of growth in **\$40 billion** Indian Petrochemicals industry ~ **14 %**
- ❑ Indian Petrochemicals industry likely to reach **\$100 billion by 2020**
- ❑ India's per capita consumption of polymers ~ **5.2 kilograms** vs. China per capita consumption of 30 kilograms.
- ❑ India's consumption of polymers is about **6.2 million tons**, which is only around 3 per cent of the global consumption of 200 million tons
- ❑ Lion's share for making "**Make in India**" campaign a success has to come from Petrochemicals sector

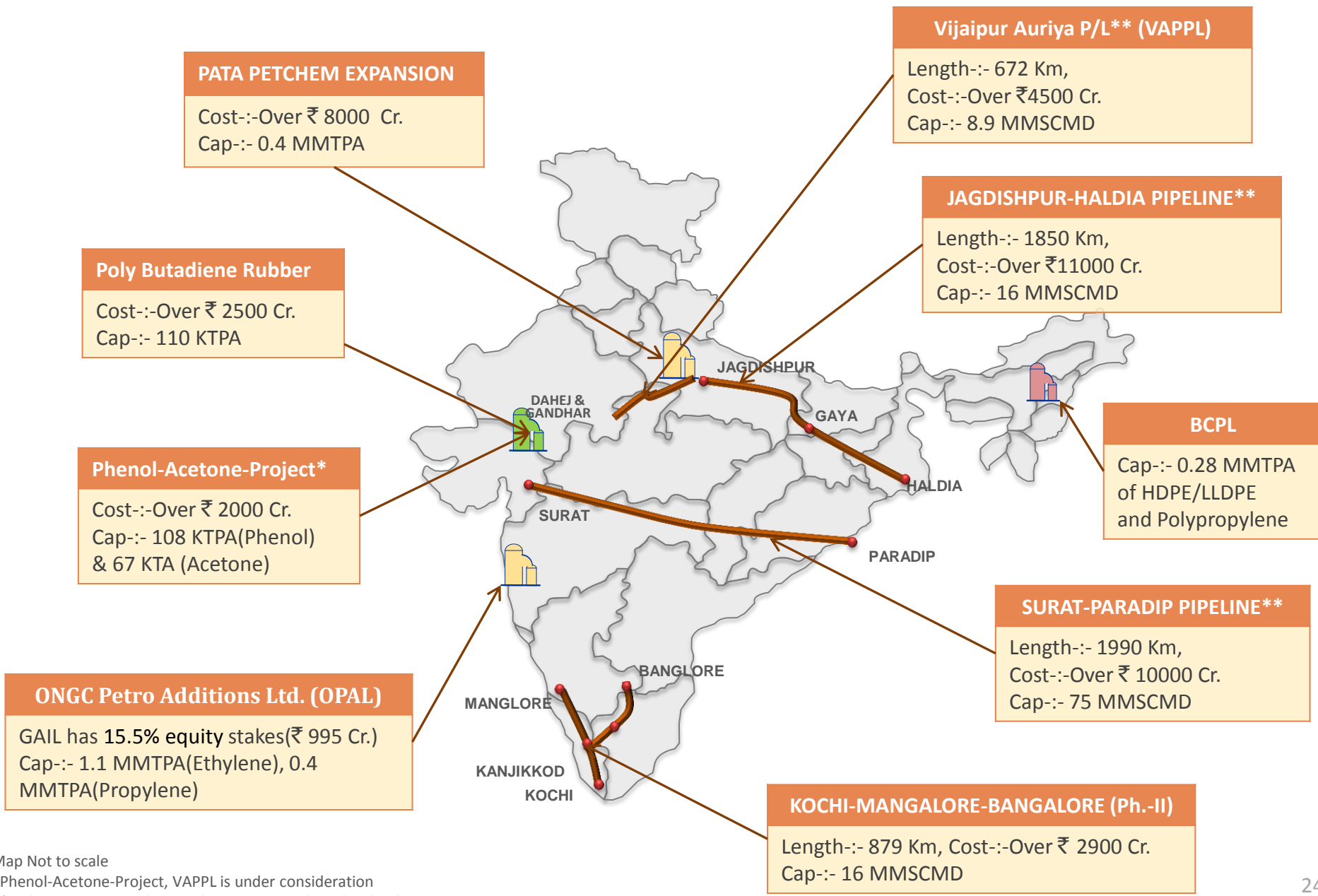
GAIL's Petrochemical Marketing Portfolio

(TMT)



*As per Study conducted by ASSOCHAM

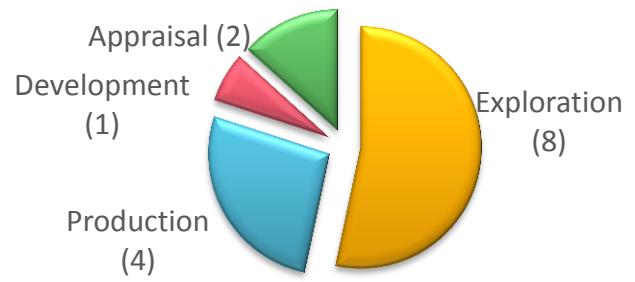
Major Projects (On-going & Upcoming)



Map Not to scale
 *Phenol-Acetone-Project, VAPPL is under consideration
 **To be commissioned in synchronization with anchor load customers

E&P: Vertical Integration

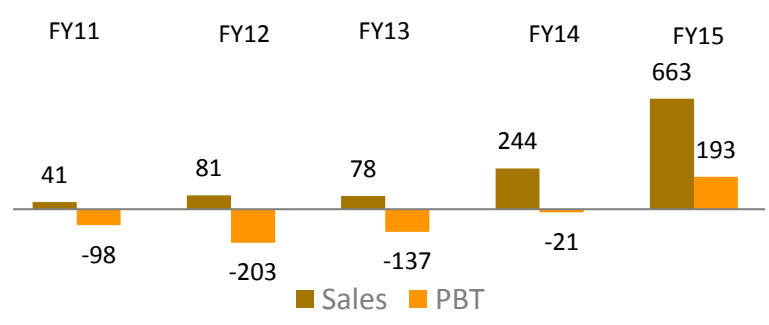
Balanced Portfolio with Participation in 15 Blocks, GAIL is Operator in 3 on-land blocks.



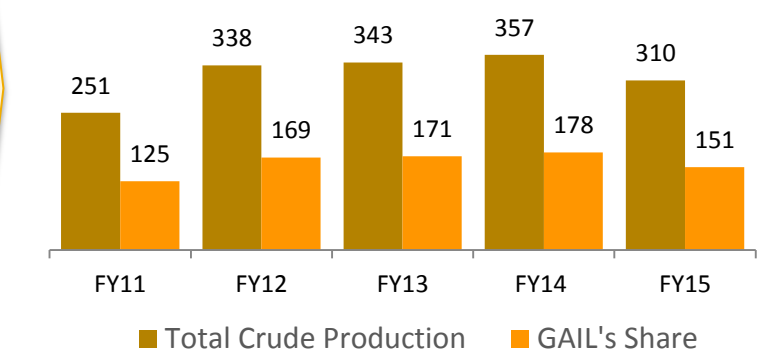
| Gail share of Reserves as on 31.03.2015 | Proved | Proved Developed |
|---|--------|------------------|
| Crude Oil- India (Qty. in '000 bbl) | 1,076 | 1,076 |
| Natural Gas -Myanmar (Qty. in in million MMBTU) | 207 | 192 |
| Natural Gas -India (Qty. in in million MMBTU) | 72 | - |

Tripura Field Development Plan (FDP) submitted to DGH. As per approved Declaration of Commerciality (DoC) Gas in place is 1.2 TCF & Recoverable Reserves is 71 BCF.

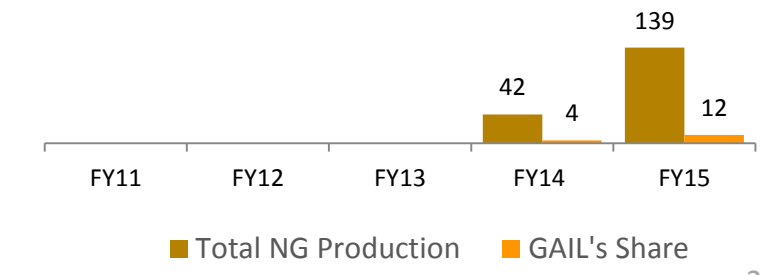
Net Sales & PBT (in ₹ Cr.)



Crude Production¹ (in '000 bbl.)



NG Production² (in million MMBTU.)



1.GAIL's share in crude production from CB-ONN-2001/1 block is 50% & from CB-ONN-2003/1 is 20%
 2.GAIL's Share in NG production from Myanmar A1 & A3 block is 8.5% each

Policy Reforms in Power & Fertilizer Sector

SCHEME FOR UTILISATION OF GAS BASED POWER GENERATION CAPACITY

- GAIL appointed as the e-bid RLNG operator and sole importer of LNG for supply of RLNG to the Power Plants under this scheme.
- Scheme envisages sacrifices from Stakeholders - 50% transportation tariff, 75% Mktg Margin, 50% re-gas charges, exemption on VAT/CST, service tax, etc. and support from Power System Development Fund (PSDF).
- PSDF support reserved by Gol for 2015-16 and 2016-17 : ₹ 3500 Cr & ₹ 4000 Cr respectively.
- Additional gas volume expected to flow is ~ 10 MMSCMD (during Jun-Sep) and ~15 MMSCMD (during Oct-May)

GAS POOLING FOR FERTILIZER SECTOR

- The scheme has been approved by CCEA on 31.03.15 and is likely to be notified shortly. GAIL has been appointed as the Pool Operator.
- Based on the total gas requirement of Fertilizer Sector and current domestic/contracted RLNG supplies, additional RLNG volume would be sourced on competitive basis.
- A pooled price considering the domestic gas and RLNG would be declared by the Pool Operator
- The difference between the pooled price and the weighted average delivered cost of each plant shall either be paid-in by fertilizer customer to Pool Fund Account (PFA) or reimbursed from the PFA

Way Forward & Action Taken



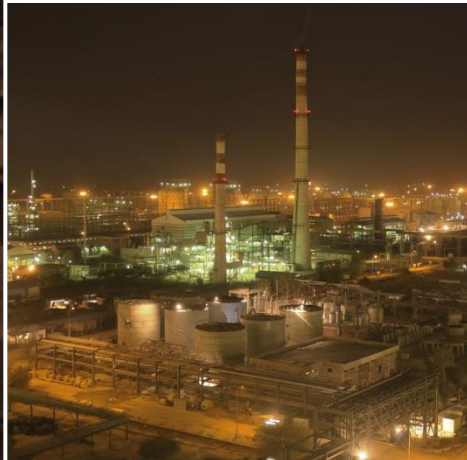
GAIL aspires to Emerge as Integrated Hydrocarbon Major with significant upstream & downstream presence



GAIL (India) Ltd.

India's **Youngest** Maharatna

Thank You



For Institutional Investors & Analysts



Shri R C Gupta,
Executive Director (Finance & Accounts)
E-mail ID: rcgupta@gail.co.in

For Retail Investors



Shri N K Nagpal,
Company Secretary
E-mail ID: nknagpal@gail.co.in



GAIL (India) Ltd.
India's **Youngest** Maharatna

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