



GAIL (India) Ltd.

Investor & Analyst Meet 2021

June 10, 2021, New Delhi



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Company Mission & Vision

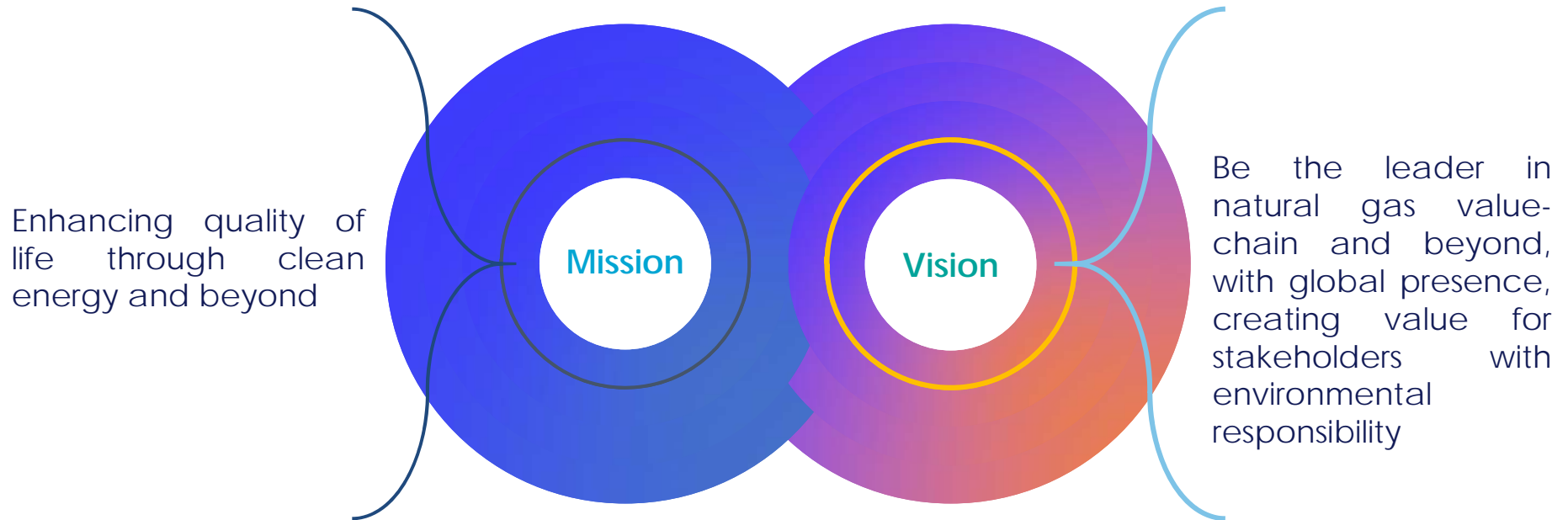
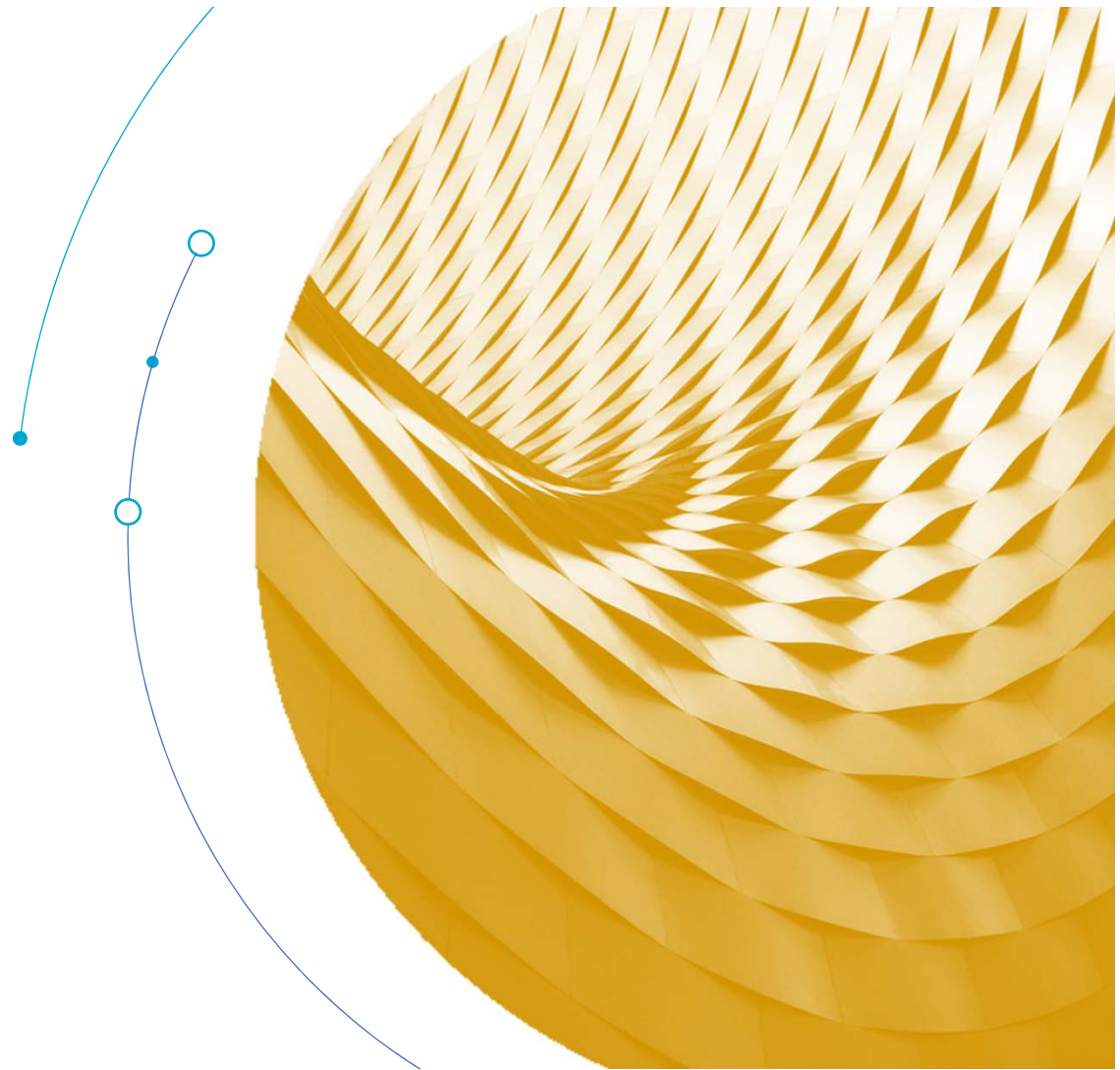


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Company Overview



Major Business Portfolio

Gas Transmission & Marketing

- Over **13,389** KM of Gas Network
- Long Term Portfolio of **~14** MMTPA



Petrochemicals

- **~14%** domestic market share
- Capacity of **810** KTA at Pata & **280** KTA at BCPL



Liquid Hydrocarbons

- Five LHC Processing Plants
- **1.4 MTPA** of Capacity
- **3.8 MMTPA** of LPG Transmission Capacity



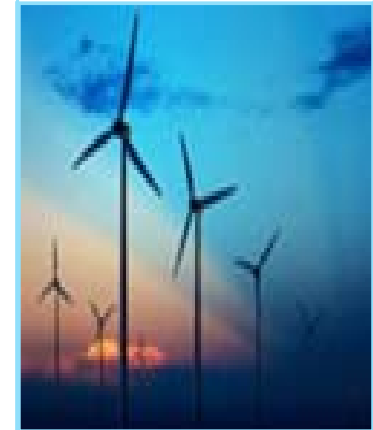
E&P

- Participation in **12** Blocks
- Presence in US & Myanmar



Renewables

- **118** MW of Wind Power Capacity
- **12.26** MW of Solar Power Capacity



Global Presence

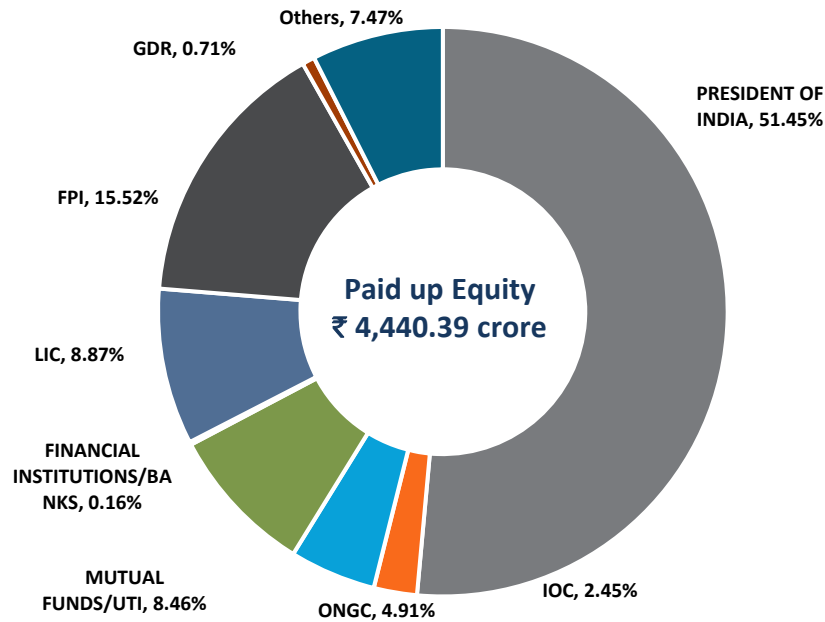


Sustainable Development

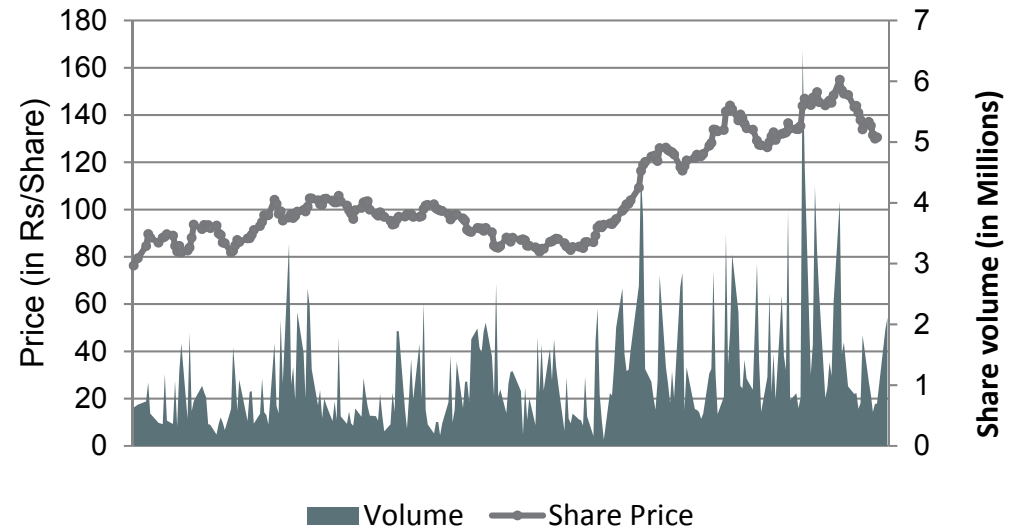
- ❑ In 2021, Vaghodia became the first GAIL location to get Silver rating by CII GreenCo. GAIL embarked upon the journey of adoption of Green Co Rating in FY19-20.
- ❑ GAIL won the leaders award at the 'Frost and Sullivan and TERI's Sustainability Awards' held in 2020.
- ❑ GAIL also won the Investor Relation Award under the category of ESG disclosures in 2021.
- ❑ A pilot project of urban afforestation using the Miyawaki techniques has been initiated to address the issue of Pollution, Carbon sink development, and Restoration of biodiversity.
- ❑ GAIL is exploring various opportunities in Production and Marketing of Compressed Biogas from Organic waste. Under the same light, GAIL and Ranchi Municipal Corporation (RMC) have signed a concession agreement in March 2021 for setting up CBG Plant



Shareholding Pattern



Market Capitalization as on 31st Mar'21 : ₹ 60,189 crore



Year	FY17	FY18	FY19	FY20	FY21
Dividend Pay-out Ratio (%)	43.82	35.05	30.01	43.60	45.76

- ☐ GAIL bought back ~ 6.98 crore shares at a price of Rs. 150 during FY 2020-21
- ☐ Shareholding of President of India came down from 51.76 % to 51.45 % as on 31st of March'21 on account of Buyback

Source: BSE Website; Note: Shareholding pattern & other data as on 31st Mar 2021 as per BSE website;

Corporate Social Responsibility (CSR)



GAIL CSR endeavours are embodied under GAIL Hriday Umbrella.

GAIL has achieved spends of Rs. 145.22 crs (2.05%), against mandated 2% (Rs. 141.91 crs.).

MAJOR HIGHLIGHTS

1. GAIL UJJAWAL (Education Centric Initiatives):

- 180 meritorious & marginalized students received residential coaching at GAIL Utkarsh centres for admission into IITs/NITs and other Engineering colleges.

2. GAIL KAUSHAL (Skill Initiatives):

- More than 600 candidates trained at GAIL Institute of Skills at Nagaram (Rajahmundry) and Guna (MP) in skill trades related to Hydro Carbon, Automotive, telecom, etc.
- Provided support towards collaborative project with MoP&NG and PSEs on contribution to Skill Development Institutes (SDIs) at Rae Bareli, Bhubaneshwar and Vishakhapatnam.

3. GAIL AROGYA (Health & Sanitation Initiatives):

- 59 Mobile Medical Units (MMUs) operated across 42 districts in 13 States of India, in from remote rural pockets of the country.
- TB Eradication programme: Support provided for eradication of TB in villages around Auraiya & Firozabad districts in Uttar Pradesh and in villages around Barpeta & Darrang districts in Assam.
- Distribution of 913 assistive aids and devices to more than 600 Divyangjans through camps at Auraiya (UP) and Haridwar (Uttarakhand)

4. OTHER FOCUS AREAS:

- Disaster management related activities: Financial support of Rs. 56.09 crores towards alleviation of COVID-19 pandemic through various initiatives, viz. contribution to PM CARES Fund, distribution of ration kits, PPE kits/sanitizers/masks, etc. to district administration and hospitals, medical equipment like ventilators to Govt. Hospitals, awareness activities

Battle Against Covid -19

- ❑ Projects/contributions worth **Rs. 80 cr. for relief** activities related to COVID-19
 - Contributed **Rs. 50 cr. towards PM CARES FUND**
 - Various projects worth **Rs. 30 cr. Undertaken** (oxygen cylinder, concentrators, PSA plants etc.)
- ❑ **Super Specialty ICU unit** set up with GAIL's CSR Support in Dakshina Kannada, Karnataka
- ❑ Support extended for setting up **Quarantine Ward** set in Rajahmundry, Andhra Pradesh

Various activities were undertaken near GAIL's major work centres in NCR (Delhi), UP (Auraiya, Varanasi), MP (Guna, Jhabua), Gujarat (Gandhar, Vadodara), AP (East Godavari), Jharkhand (Ranchi, Bokaro, Giridih, Chatra, etc), Kerala (Kannur, Palakkad), Puducherry, Karnataka (Dharwad, Bangalore), Rajasthan(Jaipur) etc.



More than
14,000
ration kits distributed



Nearly
15,000
PPE kits distributed



More than
50,000
sanitizer bottles distributed



More than
3,00,000
masks distributed



Around
48,000
gloves provided to frontline
health workers

Medical equipment such as ventilators, multi parameter monitoring equipment, pulse oximeters, etc. provided to Hospitals

Battle Against Covid -19

- ❑ Support extended for providing **COVID vaccine related cold chain equipment** for Madhya Pradesh [23 nos. Deep freezer (small) & 01 No Refrigerated Truck] and Tripura [16 nos. Ice Lined Refrigerators (small)]
- ❑ Under the initiative of MoPNG, GAIL is setting up **PSA oxygen plants** in 12 government hospitals across 4 states of Uttar Pradesh (Auraiya, Prayagraj, Ayodhya, Lakhimpur Khiri, Kasganj), Karnataka (Tumkur, Chikkaballapur), Rajasthan (Dholpur) and Madhya Pradesh (Guna, Panna, Sidhi and Bhind) at a cost of approx. Rs. 10 crores
- ❑ Under the initiative of MoPNG, GAIL has been designated to procure **25,000 set of Oxygen cylinders, regulators, high flow nasal cannula and non-rebreather masks**; GAIL's share being approx. Rs. 8 crores
- ❑ GAIL is also participating in the initiative of providing **1000 Oxygen concentrators** at a cost Rs. 6.5 crores which is being carried out jointly with other Oil and Gas PSUs
- ❑ GAIL is supporting import of liquid medical oxygen, by aiding **hiring of ISO containers** for transport of liquid oxygen (LOX)
- ❑ **Vaccination** drive organized across GAIL for vaccination of employees, their family members & contract workers
- ❑ Provided **financial Assistance towards the educational, medical needs** & other relief measures to the wards of the deceased GAIL employees

Performance Highlights



Major Highlights for FY 2020-21

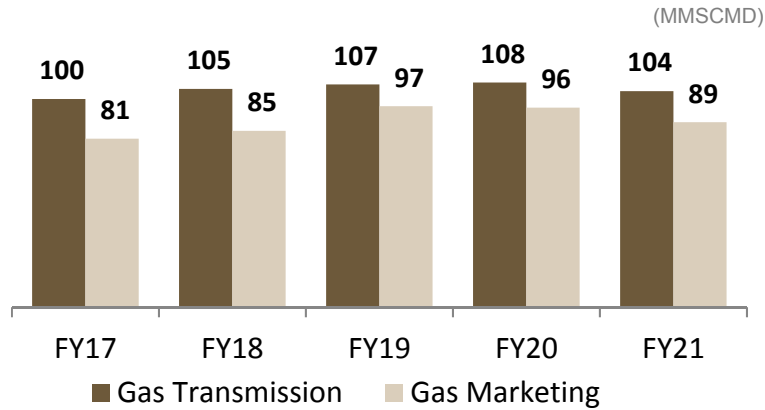
- Hon'ble PM dedicated Kochi-Mangaluru Section of KKMBPL on 5th January'21 & Dobhi-Durgapur Section of JHBDPL at Durgapur to the nation on 7th February '21
- Received NIL Comments from CAG for the Accounts of FY 2019-20 (11th year in a row)
- Received Investor Relation (IR) Awards from IR Society under ESG Category
- GAIL won the 2nd Position under the category Manufacturing Public Mega & GAIL Jaipur won 1st Position under Category Transmission and logistics in 17th National Awards for Excellence in Cost Management – 2019 organized by ICMAI
- GAIL honoured with Golden Peacock Award Excellence in Corporate Governance-National category
- Direct Tax disputes for 21 years have been applied for settlement under Vivad se Vishwas Scheme

Major Highlights for FY 2020-21 Cont..

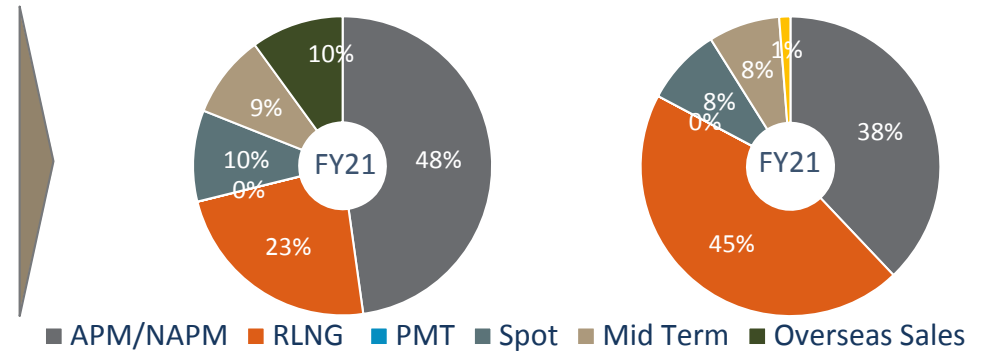
- Interim Dividend for FY 2020-21 is Rs. 5 per share amounting to Rs. 2,238 crore
- GAIL successfully closed the Buyback of equity shares worth 2.5% of Net worth at ~ Rs. 1,274 crore (Incl. Tax)
- Capex for FY 2020-21 ~ Rs. 7,000 crore, Part of JHBDPL Project (Dobhi- Durgapur Main Line) & KKMBPL Ph-II capitalized
- Share swap between GAIL and NTPC completed whereby GAIL has exited from RGPPL and GAIL's shareholding in KLL has increased to 92.15 %.
- Cumulative Capital Grant received till FY21 stood at Rs. 4,337 crore out of Rs. 5,176 crore
- Credit Rating – Domestic 'AAA', International 'Baa3' (Moody's), BBB- with (-)ve outlook (Fitch)- Equivalent to sovereign rating of India.

Physical Performance

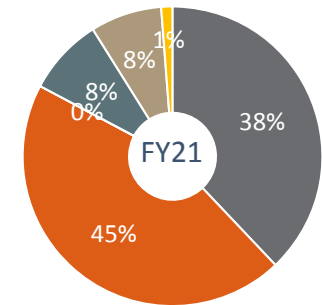
Gas Volume Trend



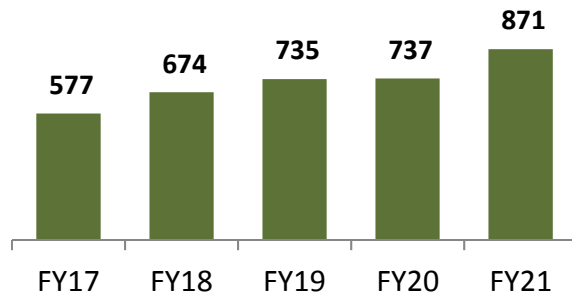
Gas Marketing Mix



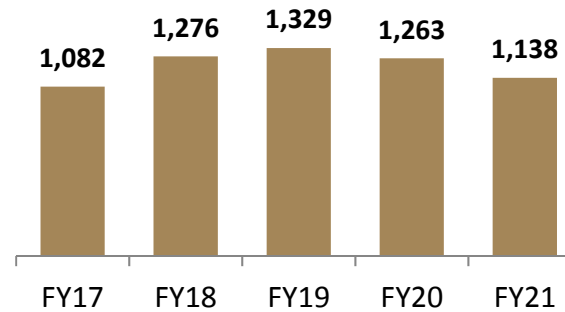
Gas Transmission Mix



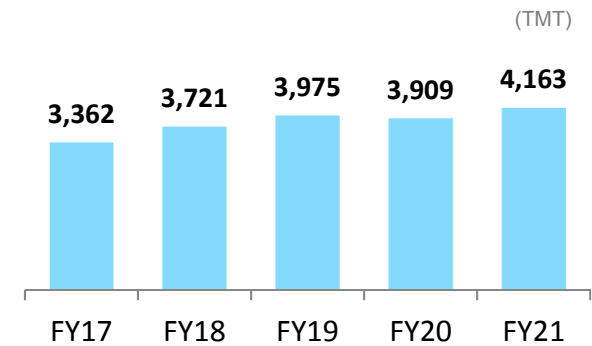
Petrochemicals Sales



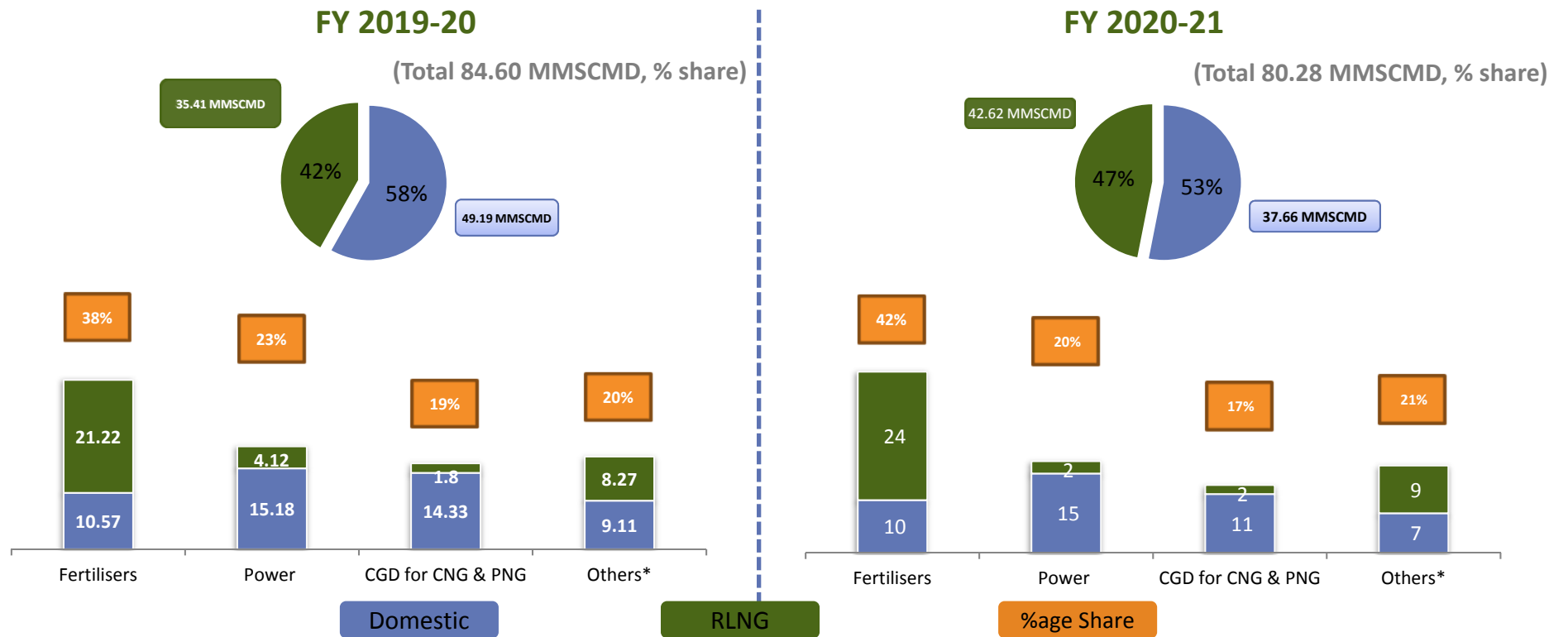
Liquid Hydrocarbons Sales



LPG Transmission



Gas Sourcing & Sector Wise Supply



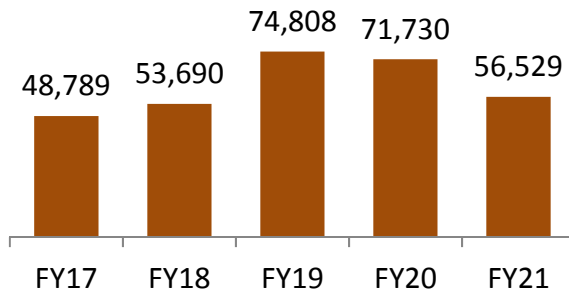
- Imported Gas primarily consists of Long Term RLNG, Mid Term RLNG and Spot
- Major sources for domestic gas are ONGC (APM & MDP), Ravva, Ravva satellite, CBM etc.
- Highest demand of Natural Gas from Fertilizer, Power & CGD companies

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

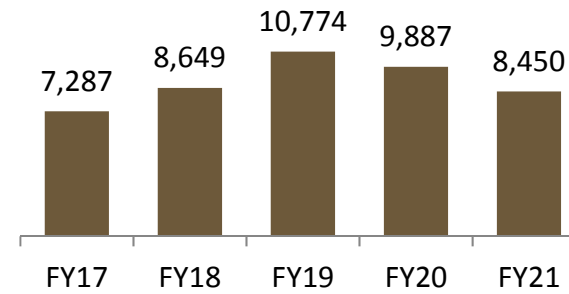
Financial Performance (Standalone)

(in Rs. crore)

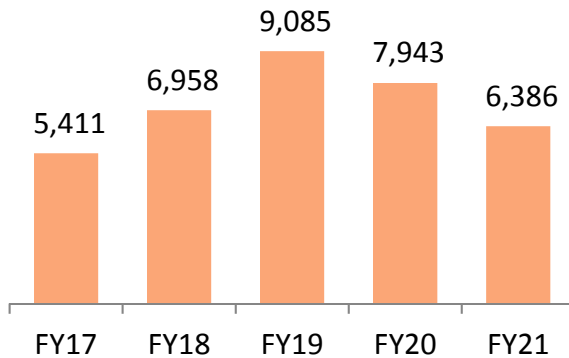
Turnover (Gross)



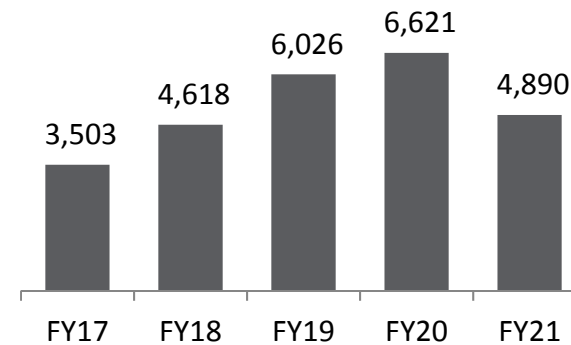
Gross Margin (PBDIT)



Profit Before Tax (PBT)

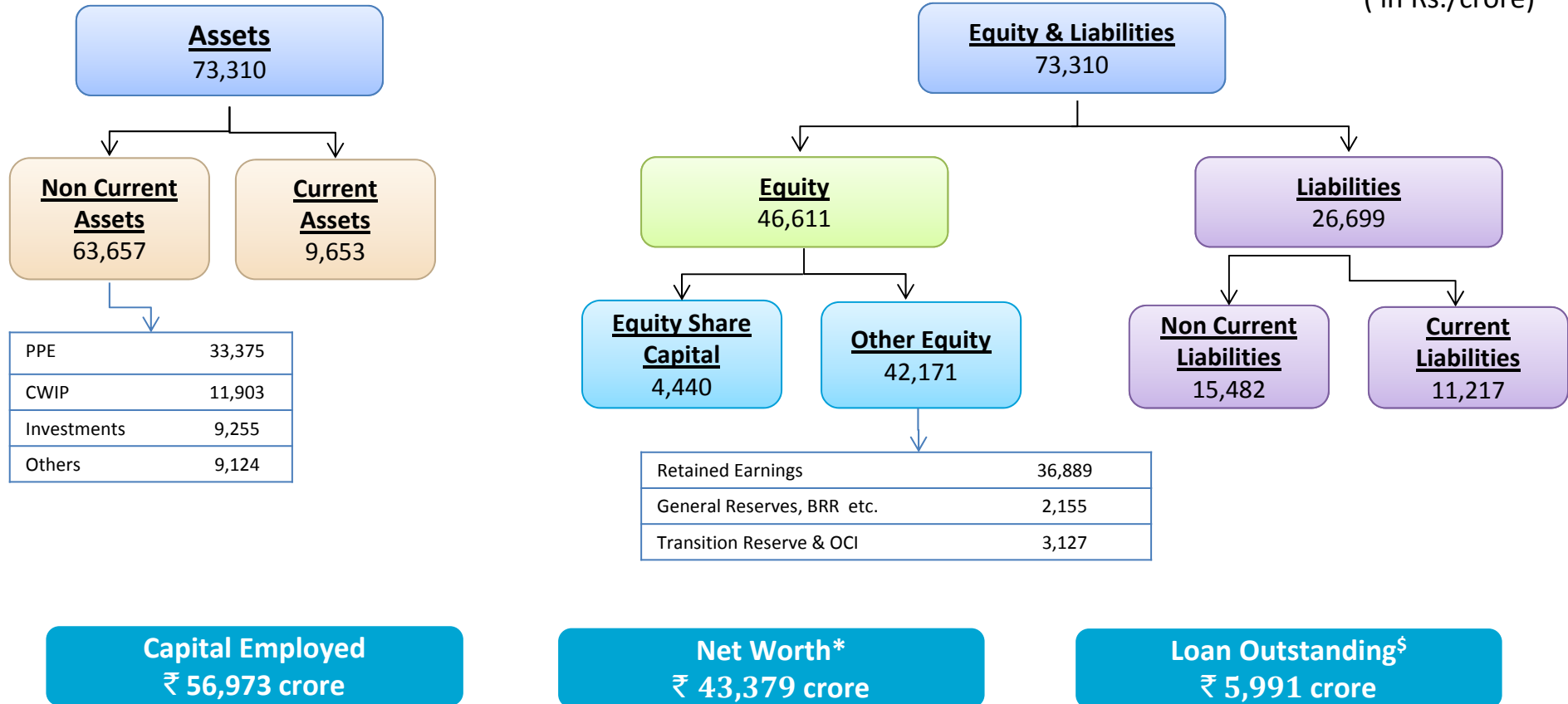


Profit After Tax (PAT)



Balance Sheet as on 31st March 2021

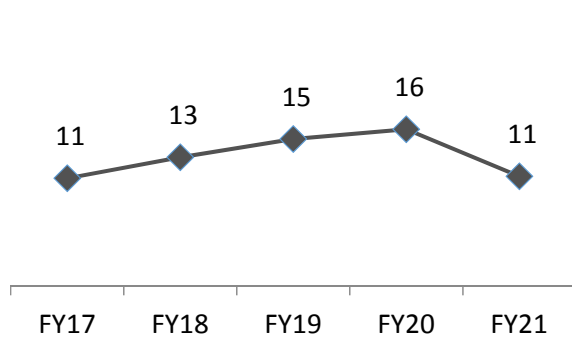
(in Rs./crore)



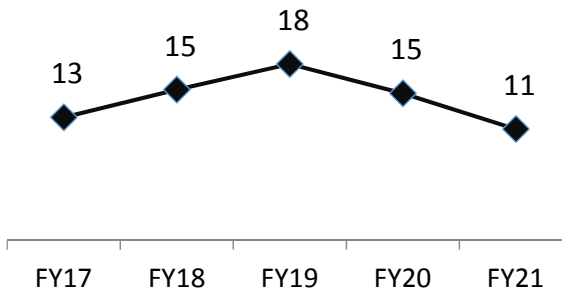
* as per companies' Act, \$ Incl. Short term loan

Key Financial Ratios

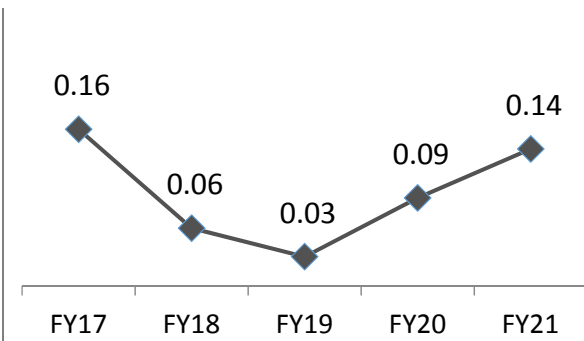
PAT to Net Worth (in %)



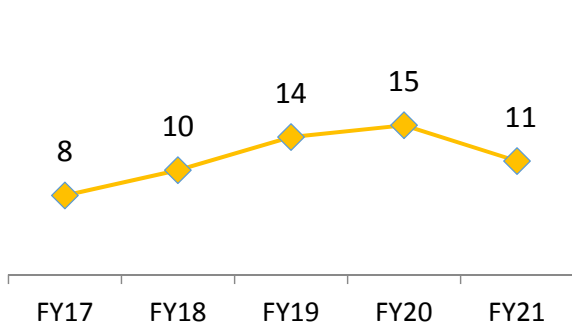
Return on Capital Employed (in %)



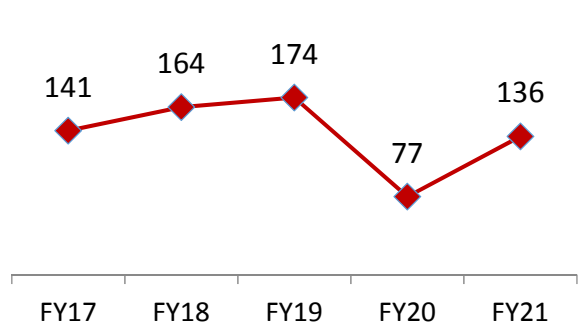
Debt to Equity Ratio



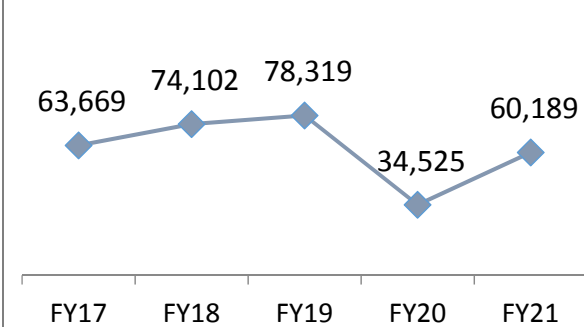
Earning Per Share (in Rs./Share)



Share Price (in Rs./Share)



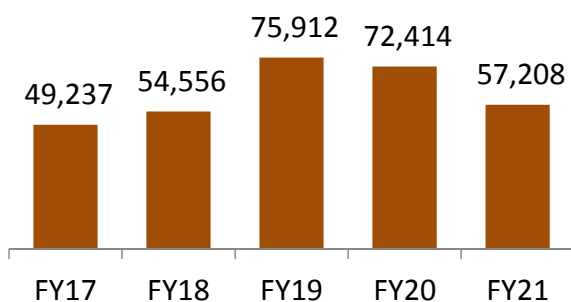
Market Capitalization (in Rs./crore)



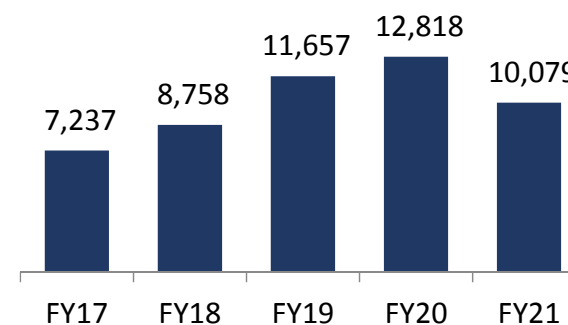
Financial Performance (Consolidated Basis)

(in ₹ crore)

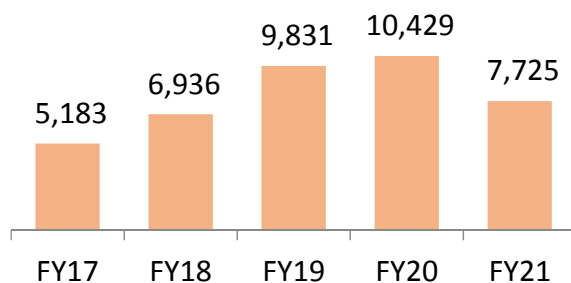
Turnover (Gross)



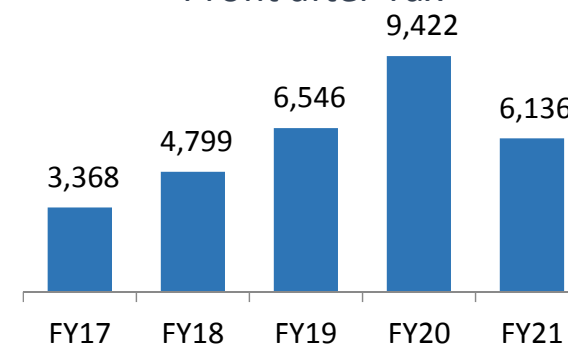
Gross Margin (PBDIT)



Profit Before Tax

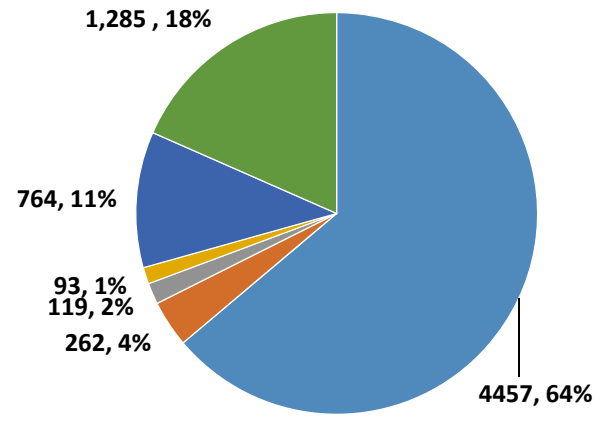


Profit after Tax



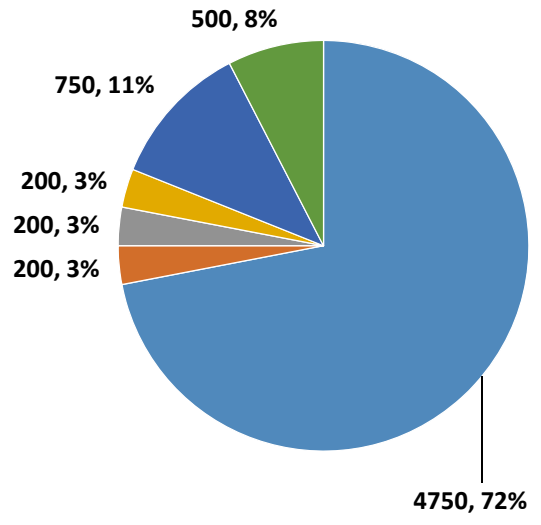
Capital Expenditure Profile

FY 2020-21
~ 7,000 Cr.



FY 2021-22E
~ 6,600 Cr.

(in ₹ crore)



- Pipeline
- City Gas Distribution (Equity)
- Petrochemical
- E&P
- Equity Investments
- Operational Capex

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

Industry Outlook

Natural Gas Segment



Global Energy Consumption - Comparison

Figures rounded off

Region	Oil	Natural Gas	Coal	Nuclear Energy	Hydro electric	Renewables
World	33.1%	24.2%	27.0%	4.3%	6.4%	5.0%
Asia Pacific	27.8%	12.2%	47.5%	2.2%	6.2%	4.2%
China	19.7%	7.8%	57.6%	2.2%	8.0%	4.7%
India	30.1%	6.3%	54.7%	1.2%	4.2%	3.5%

India & China are in the process of diversifying the primary energy mix and increasing share of cleaner natural gas & renewables

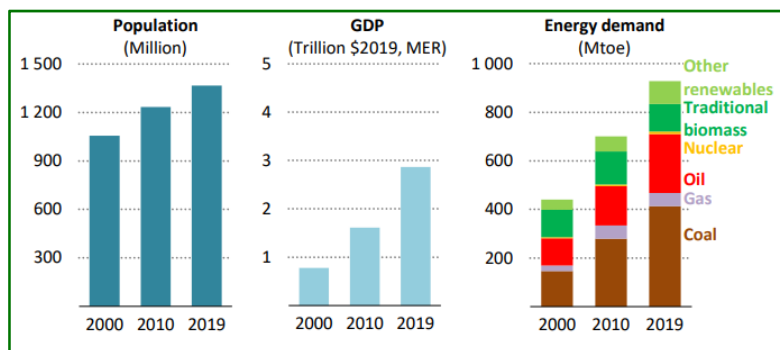
(Source: BP Statistical World energy Review, 2020)

Global energy demand growth from emerging economies

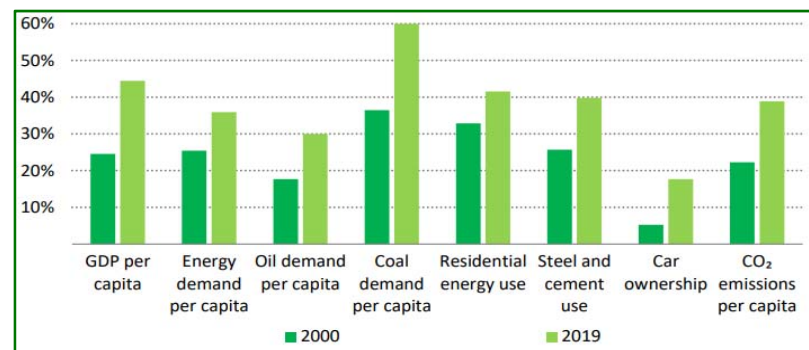
- Currently, China biggest driver of global energy consumption (24%) followed by US (17%), EU (12%), Middle East (6.65), India (5.9%) & Russia (5.2%)
- Going Forward :-
 - India is expected to be largest source of energy demand growth out to 2050.
 - India's primary energy consumption is expected to grow by more than 100%.
 - Energy Intensive industrial activities may get relocated from the developed world & China to India & other emerging economies in Asia Pacific.
- Global trend is towards a lower carbon fuel mix, higher carbon prices and supportive policy & investor environment.
- The role of natural gas will be crucial as a source of (near) zero-carbon energy with possibility to produce blue and green hydrogen

Energy demand growth – Indian context

Selective Indicators for India



Key Indicators as a % of Global Average



- Energy consumption has more than doubled since 2000, propelled upwards by a growing population and a continuous period of rapid economic growth. Covid-19 impact expected to be mitigated Q4 2021 onwards.
- Over 80% of India's energy needs are still met by three fuels: coal, oil and solid biomass
- Despite low per capita CO₂ emissions, India is the third-largest global emitter of CO₂
- In line with global trends, share of natural gas and renewable to increase in India's primary energy basket from the current level of 6.31% and 3.55% respectively

India is among the top 13 gas consuming countries globally

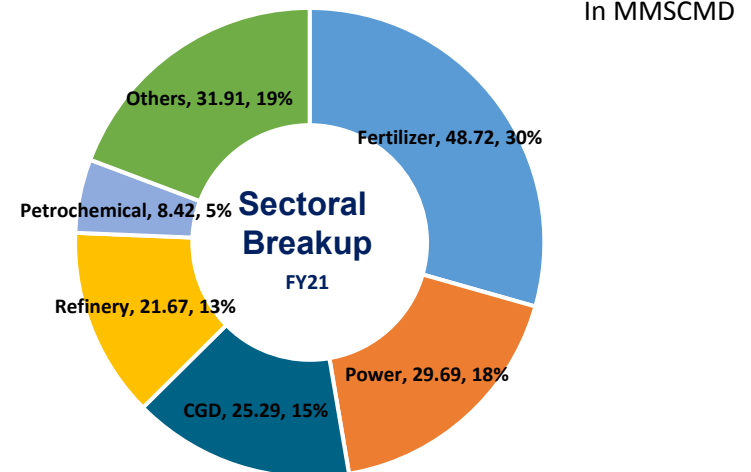
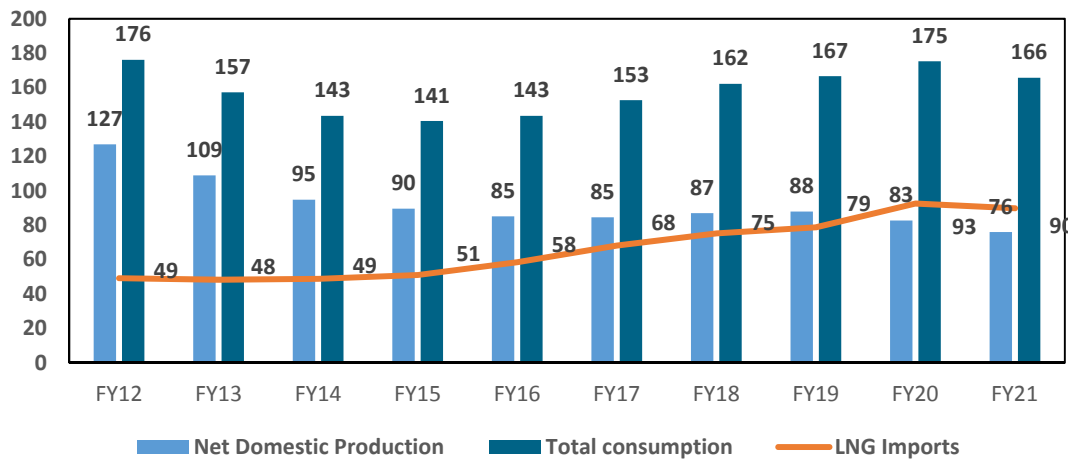
1 BCM = 2.74 MMSCMD

Top 15 Gas consuming countries globally in 2020		Gas Consumption (in BCM)		Growth 2008-19	Share of gas in PE (%)	Pipeline Length (KM)
		2008	2019			
1	US	628.9	846.6	2.7%	32.2%	500,000
2	Russian Federation	422.7	444.3	0.7%	53.7%	180,000
3	China	81.9	307.3	13.2%	7.8%	105,000
4	Iran	125.8	223.6	5.9%	65.2%	22,000
5	Canada	89.3	120.3	2.8%	30.5%	110,000
6	Saudi Arabia	76.4	113.6	3.9%	37.1%	4,000
7	Japan	99.1	108.1	1.6%	20.8%	4,500
8	Mexico	60.0	90.7	3.9%	42.3%	16,000
9	Germany	89.5	88.7	-0.4%	24.3%	28,000
10	United Kingdom	97.8	78.8	-2.1%	36.2%	30,000
11	United Arab Emirates	58.0	76.0	2.5%	56.6%	4,000
12	Italy	80.9	70.8	-1.5%	40.0%	22,000
13	India	40.0	59.7	3.8%	6.3%	18,200
14	Egypt	39.3	58.9	4.2%	54.6%	8,000
15	South Korea	37.3	56.0	4.5%	16.3%	4,000

Source: BP Statistical Review 2020

Natural gas consumption – Historical & Present

Natural Gas Consumption in India (MMSCMD)



- Gol targeted increase of Gas share to 15% in Primary Energy mix
- Gas along with Renewables has an important role in achieving commitment of emission intensity reduction under COP 21
- Gas can play the role of bridge fuel and grid balancing to balance upcoming renewable capacity additions

Source: PPAC (NG consumption includes IC of upstream producers aggregated in Others)

Structural Reforms towards a Gas Based Economy



Enhancing domestic gas production

- Pricing guidelines for domestic gas
- Marketing & Pricing freedom - difficult & new fields (HPHT)
- Discovered Small Field
- Coal Bed Methane



Developing gas infrastructure

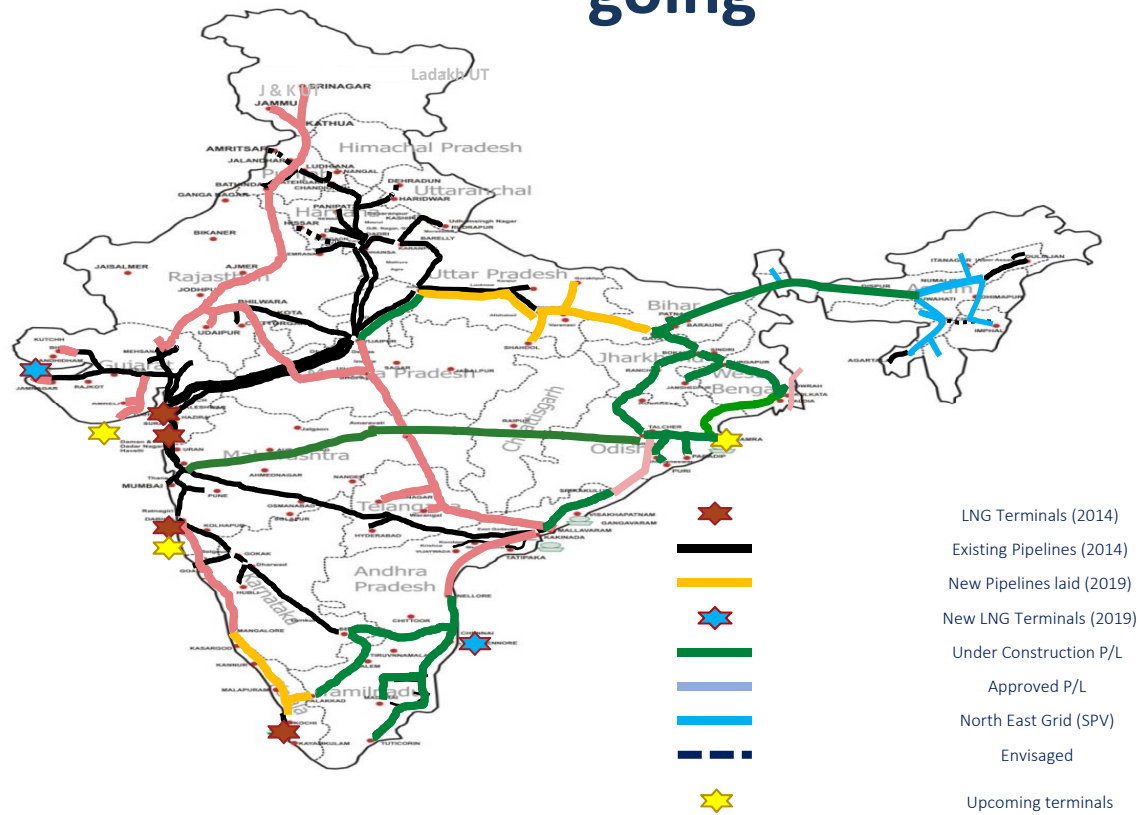
- Completion of National Gas Grid
- North East Gas grid (IGGL) through SPV model
- Capital grant to incentivize development in difficult areas
- Building new LNG import facilities
- Development of CGD networks
- Promoting Bio-CNG (SATAT) as a new source of supply



Improving Market Access

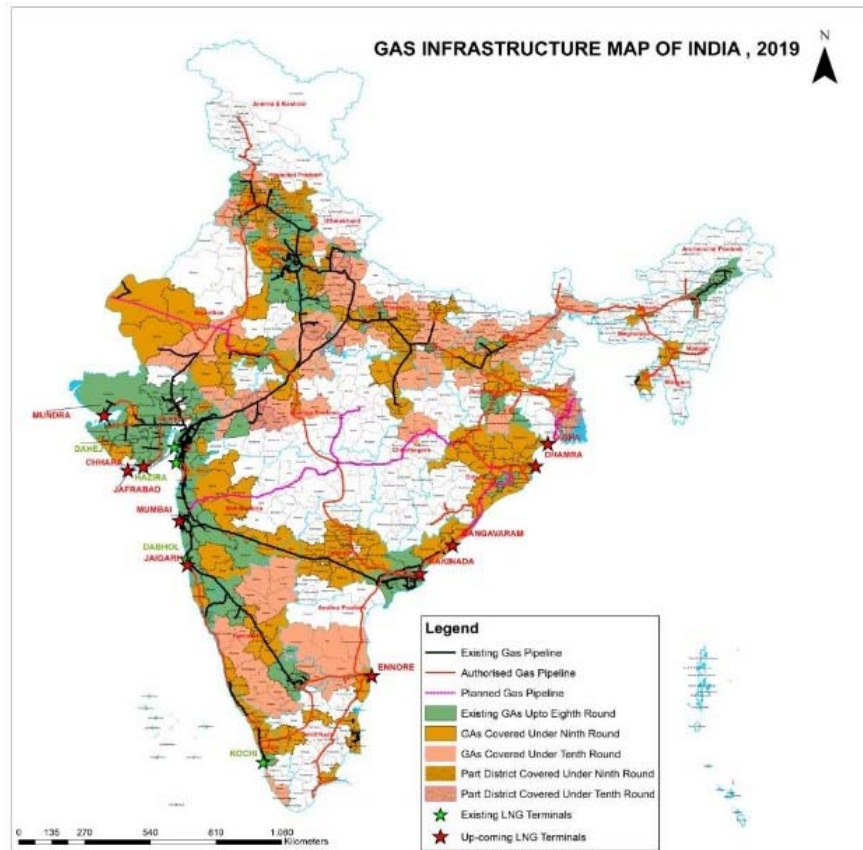
- Gas Trading Exchange (GTE)
- E-bidding platform
- Transport System Operator (TSO) envisaged to manage Common Carrier Capacity
- Possible Rationalization of tariff to benefit consumers & operators
- Tax related aspects under consideration

One Nation-One Grid - Infrastructure Expansion on-going



(length of pipelines in km)

CGD is focus area to grow in coming years



CGD in India after 9th & 10th Round (March 21)

- 41 Entities - 407 Districts - 232 GAs
- Expansion is under progress to cover **70% of population and 53% of geographic area**
- Target to provide **42 million additional DPNG connections and 8000 CNG stations** by 2030 (9th & 10th Round MWP)
- **5000 compressed Bio-gas (CBG)** production plants also envisaged under SATAT.

GAIL's presence in CGD

- Executing 20 CGD GAs (6 – JHBDPL, 14 – GAIL Gas)
 - Presence in **61 GAs** through JVs/Subsidiaries
- **52.58% (13.03 MMSCMD)** of Gas supplied to CGD industries in FY 2020 - 21
 - Operating **1689 out of 3101 CNG Stations** (55%)
- Operating **65% of total 78.20 lakhs** domestic PNG connections

Source : PNGRB

Petrochemical Segment



Petrochemical Business Outlook

- ❑ Indian Petrochemicals industry likely to reach \$ 250 billion by 2025
- ❑ 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 ~30 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 2020-21

- ❑ Sold 1177 KTA of polymers (871 KTA - GAIL & 306 KTA - BCPL)
- ❑ Exports of polymers - 11,155 MTs during the year. (GAIL- 9,225 MTs & BCPL – 1,930 MTs)
- ❑ **Other Initiatives**
 - ✓ *Skill Development Program on "Plastic Product Manufacturing" with CIPET*
 - ✓ *Productivity Enhancement Program at customer premises*



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



Petrochemical Business Outlook

Indian HDPE & LLDPE Demand v/s Capacity

HDPE+LLDPE (in KTA)	Actual		Projections
	2019-20	2020-21	2021-22
Demand			
HDPE (1)	2,530	2,690	2,860
LLDPE (2)	2,391	2,631	2,876
HDPE + LLDPE	4,921	5,321	5,736
Capacity*			
HDPE + LLDPE	5,210	5,210	5,370

Source : CPMA

Indian HDPE & LLDPE demand is higher than capacity and gap is expected to increase further.

- PE demand grew at around 7-8%
- Indian PE consumption to Surpassed its Capacity in 2020-21 but will be in deficit in 2021-22
- HMEL's PE plant (1,250 KTA) is likely to be commissioned by 2022-23
- Future demand drivers for 7% growth in PE
 - *Packaging Industry*
 - *Ecommerce driving packaging*
 - *Automobile /Construction Industry*
 - *Agriculture Industry*



Source: Study by CPMA & Industry Estimates



Our Touch Points

For Institutional Investors
& Analysts



Shri R K Jain,
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