



**GAIL (India) Ltd.**

# **Investors' & Analysts' Meet 2023**

May 19, 2023, Mumbai



# Safe Harbor Statement

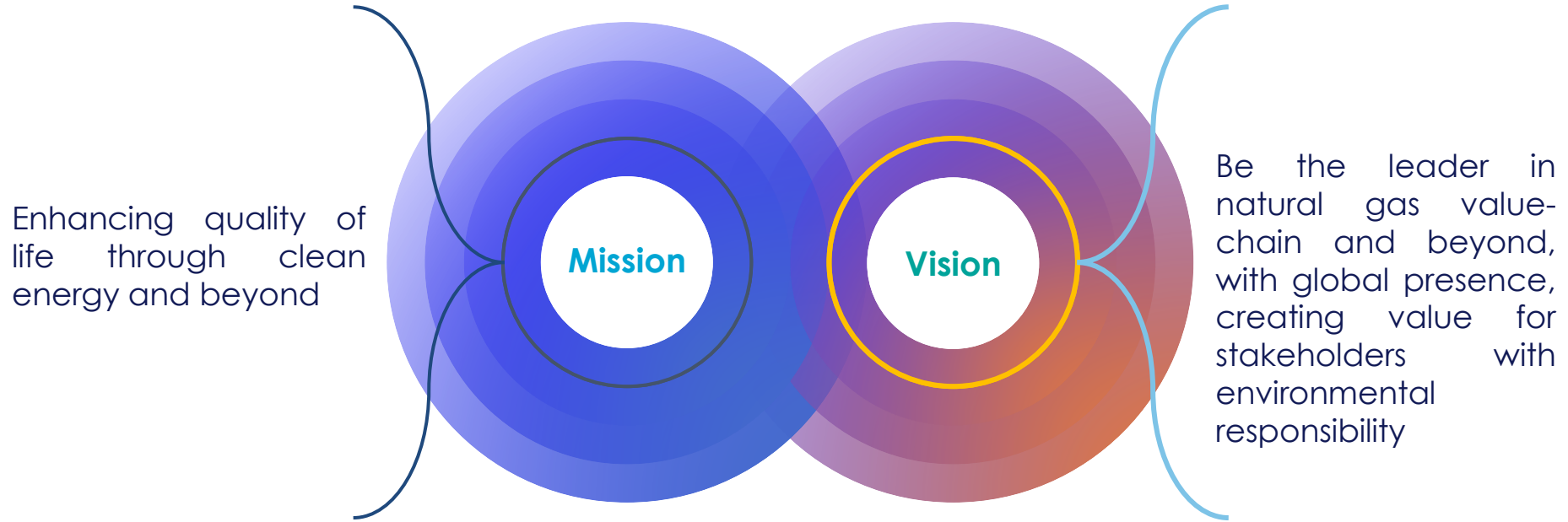
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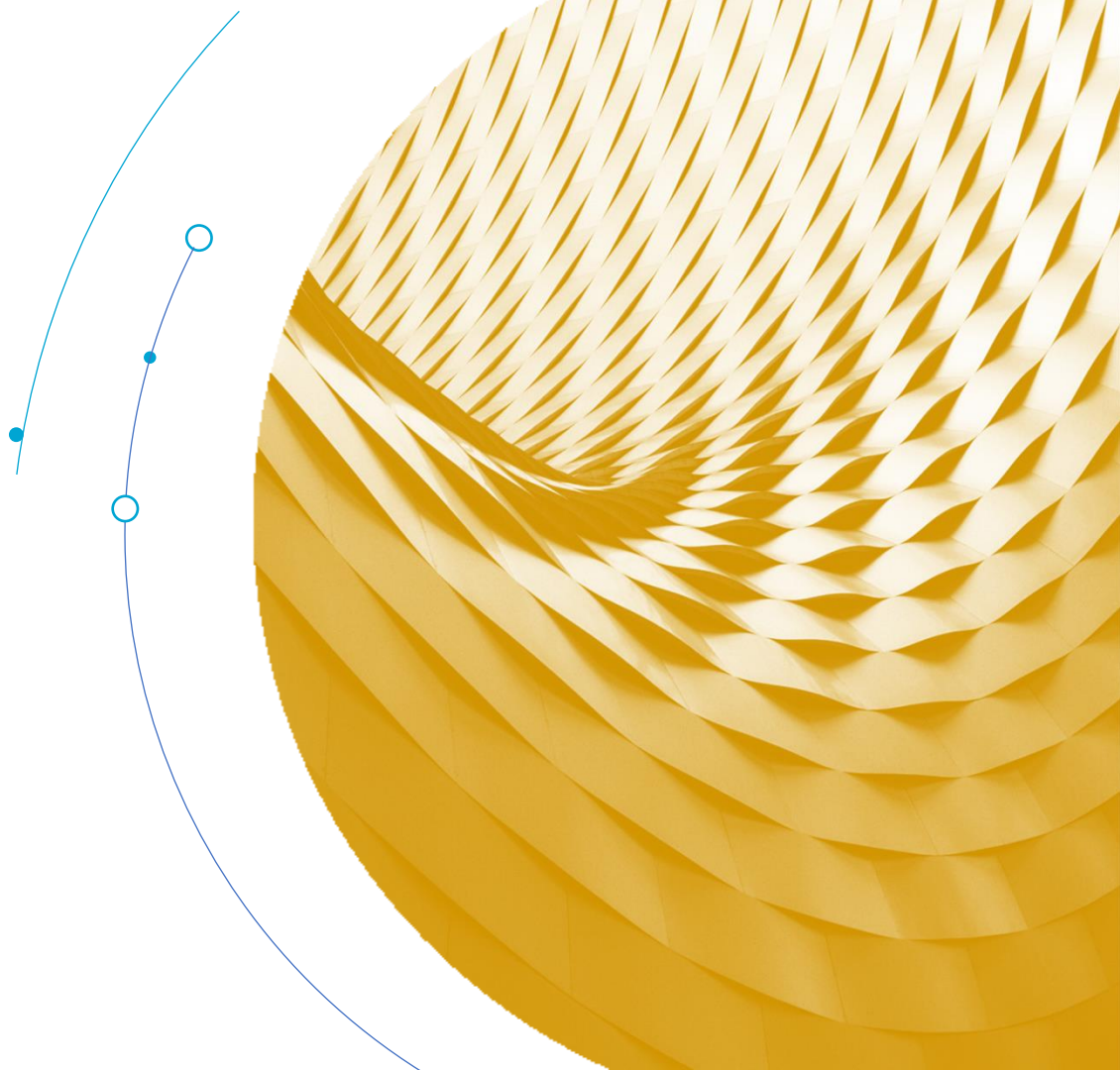
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# Company Mission & Vision



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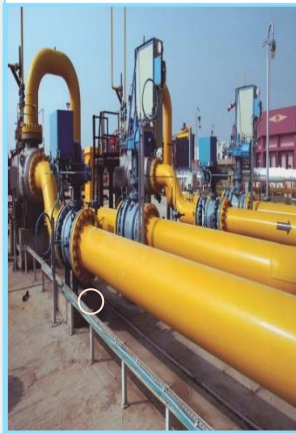
# Company Overview

A colorful illustration of a city skyline at the bottom of the slide. It features various buildings, trees, a sun, and people walking, creating a vibrant and lively scene.

# Major Business Portfolio

## Gas Transmission & Marketing

- ~ **15,400** KM of Gas Network
- Long Term Portfolio of ~**14** MMTPA



## Petrochemicals

- Capacity of **810** KTA at Pata & **280** KTA at BCPL
- ~**18% PE** Capacity share



## LPG & Liquid Hydrocarbons

- **5** Processing Plants
- **1.4** MMTPA of Capacity
- **4.55** MMTPA of LPG Trans. Capacity



## E&P

- Participation in **13** Blocks
- Presence in US & Myanmar



## Renewables

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

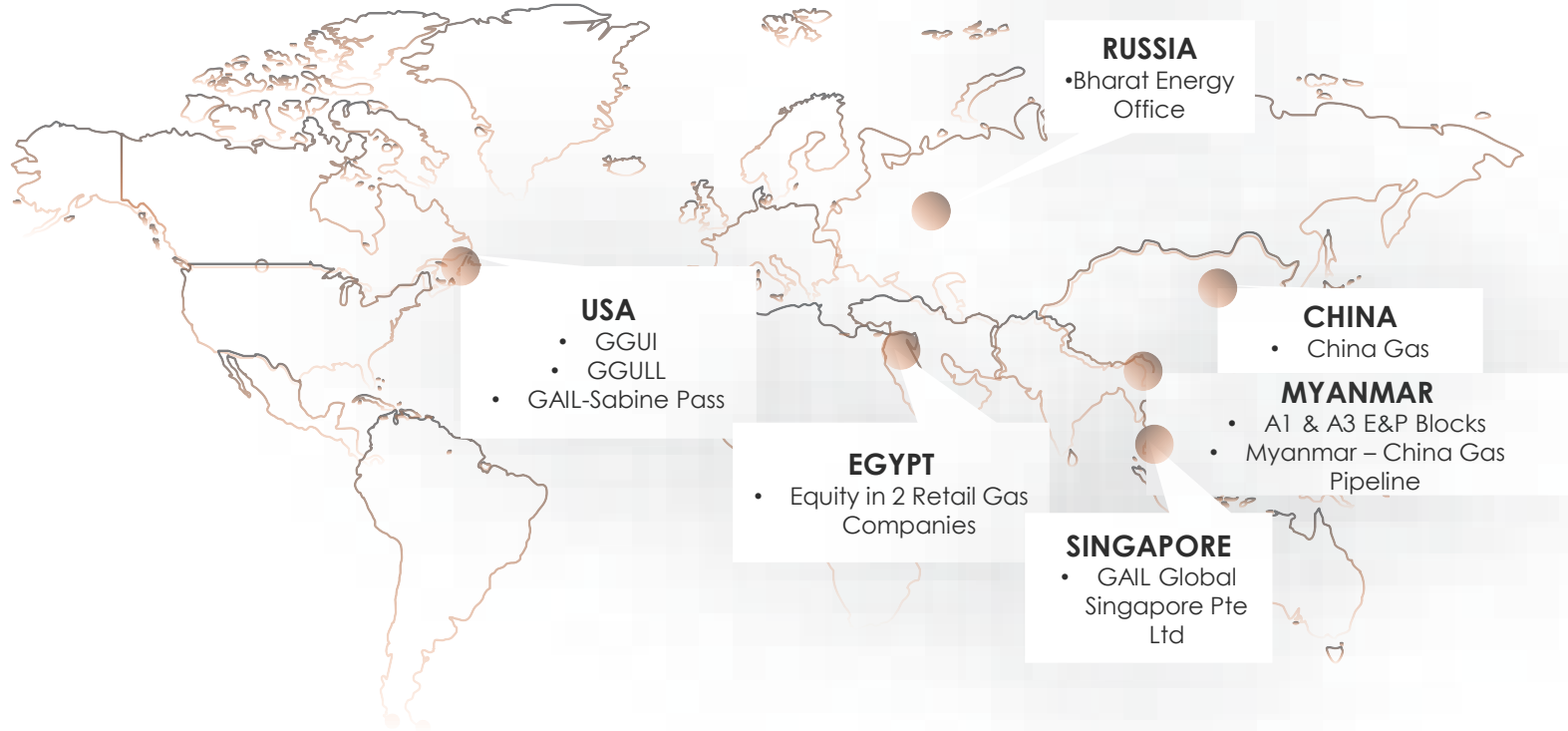


## City Gas

- **67** GAs out of total 295 GAs
- Subsidiary – GAIL Gas Ltd., Bengal Gas & TNGCL + 8 CGD JVs



# Global Presence



# Sustainable Development

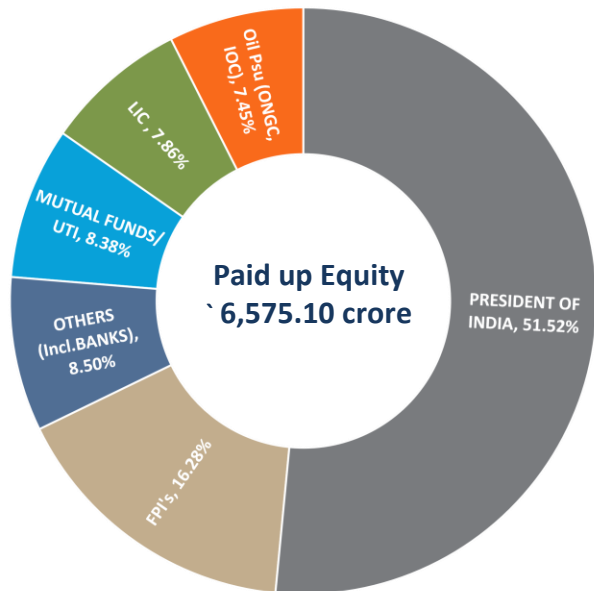
- ❑ GAIL has set a target to achieve Net-Zero (scope 1 and scope 2) status by 2040 while reducing scope 1 and Scope 2 emissions by 100% and Scope 3 emissions by 35% (from the baseline year of 2020-2021) by 2040.
- ❑ GAIL was accorded 'Green Ribbon Champions' by CNBC, Network18 Media & Investments Limited. Shri R K Singh Hon'ble Minister of Power and New & Renewable Energy, congratulated the GAIL team for the decarbonization Initiatives taken by the organisation. The award recognizes GAIL's initiatives and projects across sustainability, afforestation, waste management, renewable energy, and more.
- ❑ GAIL(India) got A grade rating India's Most Sustainable Companies 2022 by Business world Magazine. GAIL(India) stands first among other PSUs (Public Sector Undertakings) that got A rating.
- ❑ GAIL ranks 1st among other PSUs in the Climate Leadership Report-2022 by Futurescape and Economic Times (ET) Edge.
- ❑ GAIL embarked upon the journey of adoption of Sustainable Factory GreenCo Rating . In last 3 years, six GAIL sites have achieved GreenCo Rating; Jhabua, Vaghodia, Vijaipur, Gandhar, Jhabua and VSPL Pipeline have attained the GreenCo silver rating



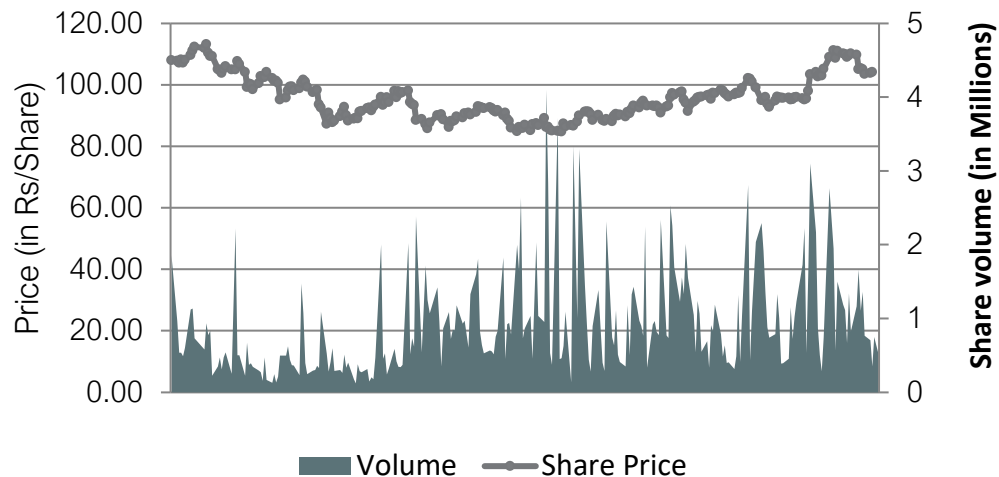
GAIL is included in FTSE4Good Index Series for the 6th time in a row, affirming the Company's strong commitment towards Environmental, Social and Governance (ESG) practices in the Oil & Gas Sector



# Shareholding Pattern



Market Capitalization as on 31<sup>st</sup> Mar'23 : ₹69,203 crore



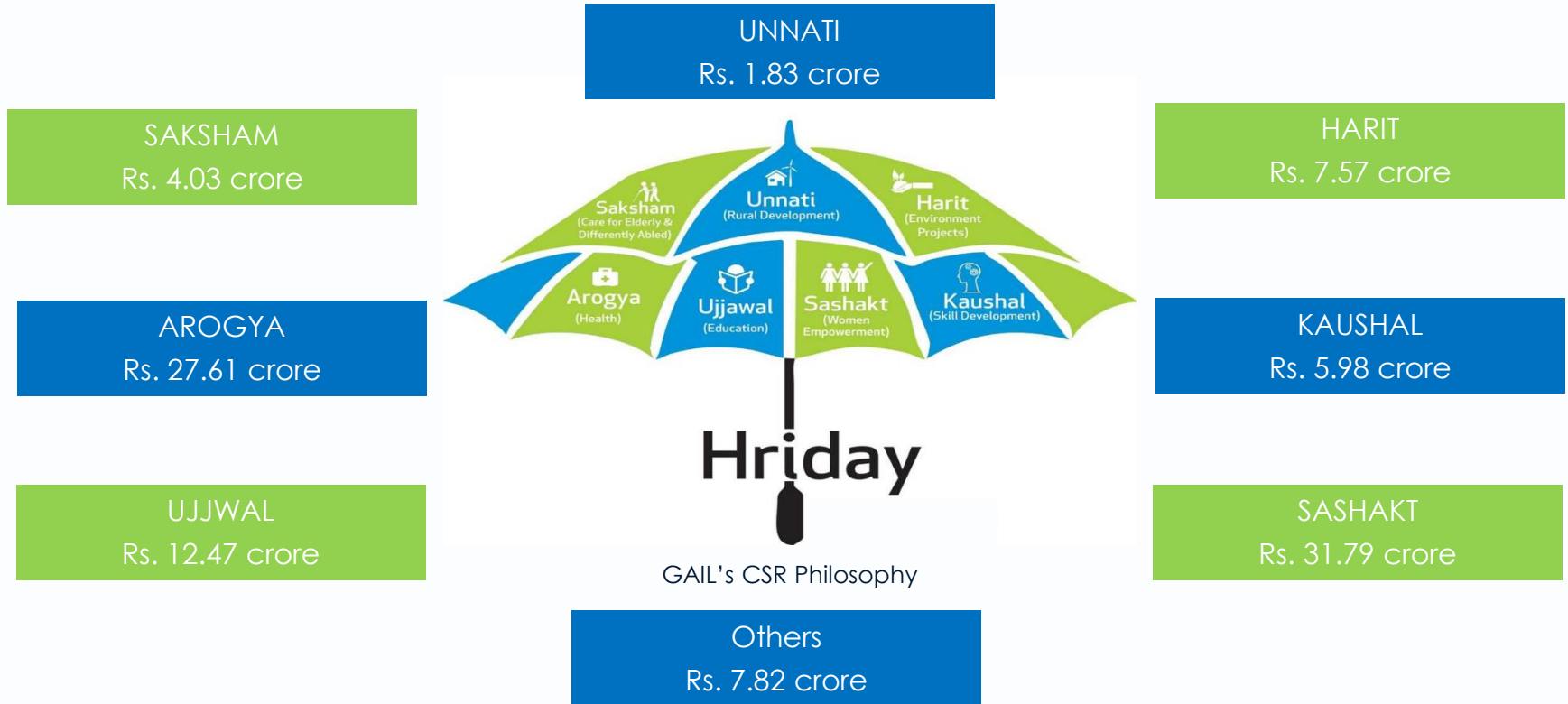
Year	FY18	FY19	FY20	FY21	FY22	FY23
<b>Dividend Pay-out Ratio (%)*</b>	35.05	30.01	43.60	45.76	42.84	49.61

- GAIL completed buyback of ~ 5.70 crore shares at price of Rs. 190/share aggregating to ~ Rs. 1,083 crores in June'22
- GAIL issued bonus shares in the ratio of 1:2 during Sep'22
- During FY 2022-23, GAIL paid
  - Final Dividend - 2021-22 @10% (Rs. 438.34 crore) of paid-up capital
  - Interim Dividend -2022-23 @40% ( 2630.04 crore) of paid-up capital

\* Dividend Pay-out Ratio calculated on accrual basis.

Source: BSE Website; Note: Shareholding pattern & other data as on 31st Mar 2023 as per BSE website;

# GAIL Hriday – CSR Initiatives



**GAIL spends 2.10% i.e. ~ Rs. 174 crore (including set off) under CSR initiatives for FY 2022-23**

## A vibrant, stylized illustration of a sustainable urban landscape. The scene includes modern grey skyscrapers interspersed with lush green trees. In the foreground, there are various elements representing clean energy and green living: solar panels on rooftops, wind turbines, a large orange cooling tower, a blue factory-like building, and several green electric vehicles (cars, buses, a scooter). People are depicted walking along a path, and a bright sun shines in the sky. The overall color palette is dominated by greens, greys, and blues, conveying a sense of environmental friendliness and progress.

# Major Highlights for FY 2022-23

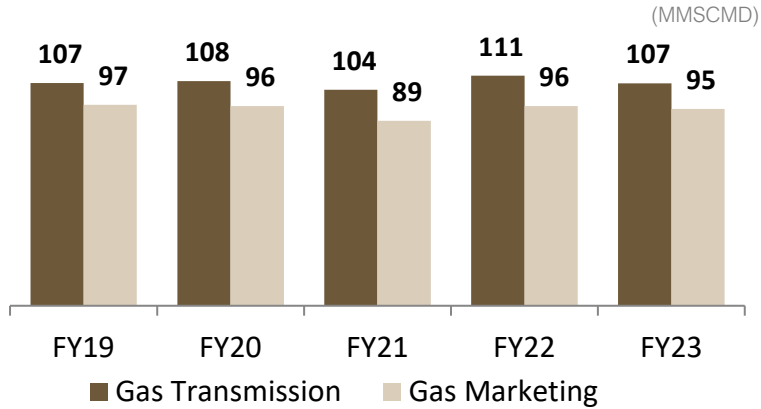
- GAIL turnover surpassed Rs. 1 Trillion first time in history of the company
- Implementation of “SPARSH”– a new digital solution for Vendor Invoice Management (VIM)
- Received “NIL” Comments from CAG for the Accounts of FY 2021-22 (13<sup>th</sup> year in a row)
- GAIL Awarded Bronze Shield by SAFA under Power & Energy Category for best presented Annual Report
- GAIL has been declared Winner for Gold Trophy under the “Non Deemed Corporate above Rs. 5,000 Crore Turnover” category in TIOL National Taxation Awards 2022
- GAIL paid interim dividend @ 40% of paid up capital for FY'23 (Rs. 2,630 crore) and completed buyback of ~ 5.7 Crore shares @ Rs.190 /share (Rs. 1,082 crore). Company also issued bonus shares of 1 for every 2 held (1:2)
- GAIL raised INR Bond of Rs. 1,575 crore on 20 Dec 2022 at very competitive rate @ 7.34% p.a.

# Major Highlights for FY 2022-23

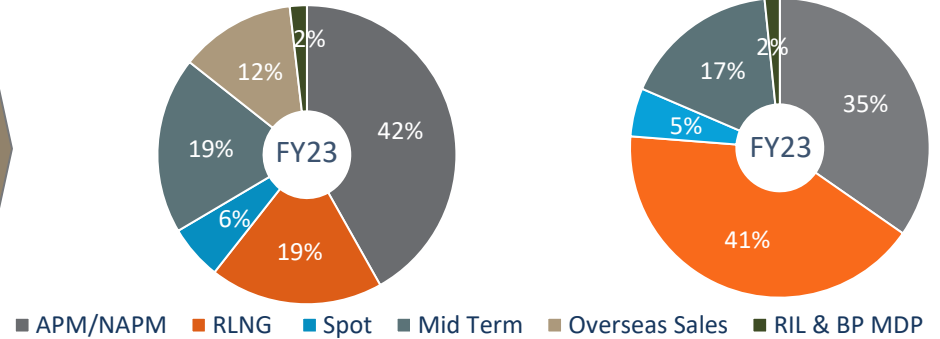
- Hon'ble Supreme Court dismissed SLP filed by Gujarat Sales Tax Dept. against demand of sales tax & interest thereon ~ Rs. 5,000 crore for treating NG transfer as inter-state instead of branch transfer
- Signing of Unilateral Advance Pricing Agreement @ 8.5% with CBDT for LNG import from GGULL, USA for the period 2017 -22
- GAIL acquired 26% equity in 'LNG Japonica' vessel of Mitsui OSK Lines, Japan
- NCLT approved resolution plan for acquisition of JBF Petrochemicals Limited
- Credit Rating – Domestic 'AAA' with stable outlook, International 'Baa3' with Stable outlook (Moody's) , BBB- with Stable outlook (Fitch)- Equivalent to sovereign rating of India

# Physical Performance

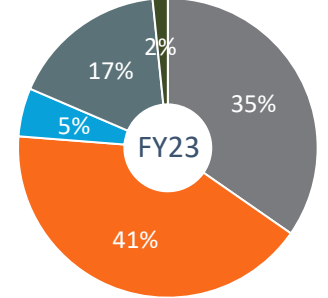
## Gas Volume Trend



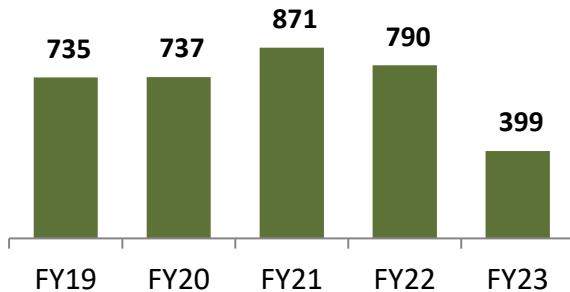
## Gas Marketing Mix



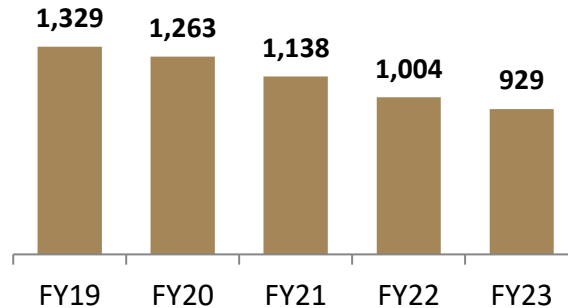
## Gas Transmission Mix



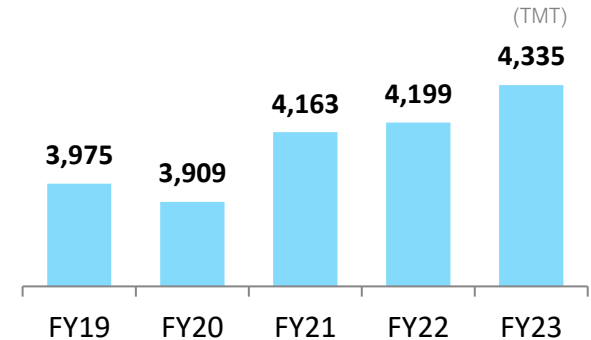
## Petrochemicals Sales



## Liquid Hydrocarbons Sales

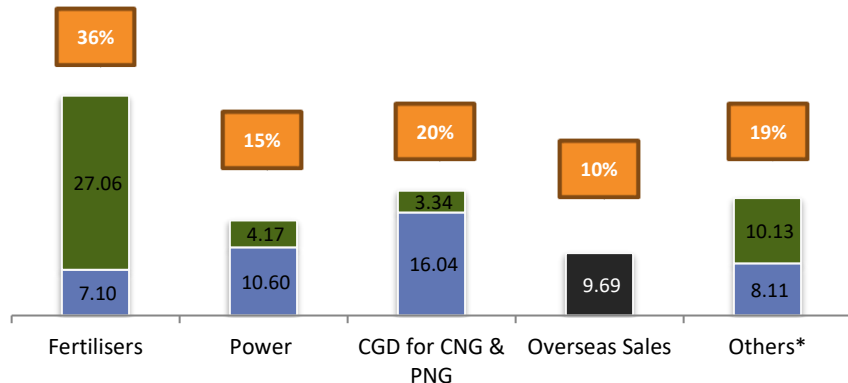
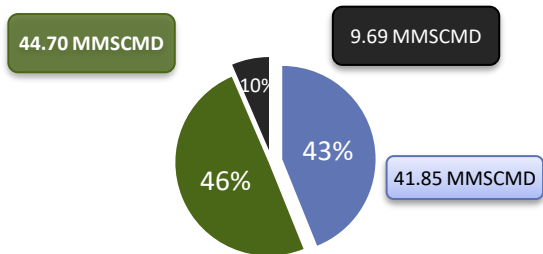


## LPG Transmission



# Natural Gas Sector Wise Supply – FY22 Vs. FY23

(Total 96.24 MMSCMD, % share)

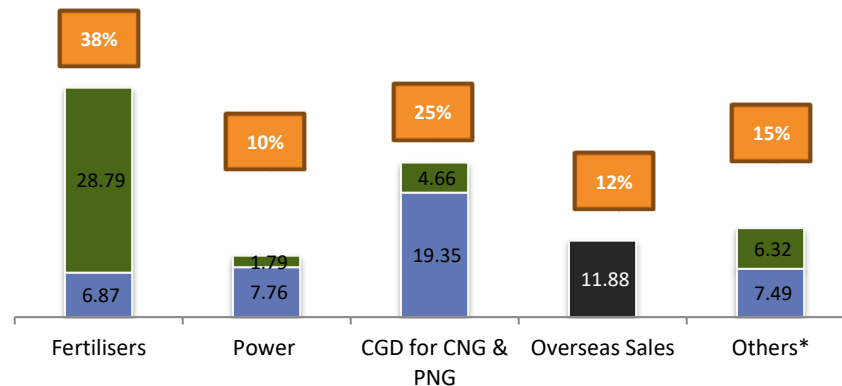
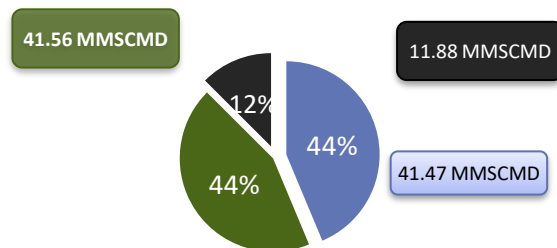


Domestic

RLNG

Overseas

(Total 94.91 MMSCMD, % share)



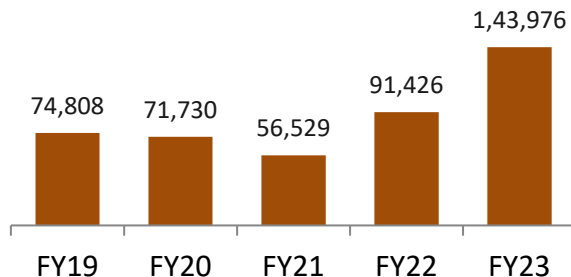
- Imported Gas primarily consists of Long Term RLNG and Spot
- Major sources for domestic gas are ONGC (APM & MDP), Ravva, Ravva satellite, CBM etc.
- Highest demand of Natural Gas from Fertilizer, Power & CGD companies

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

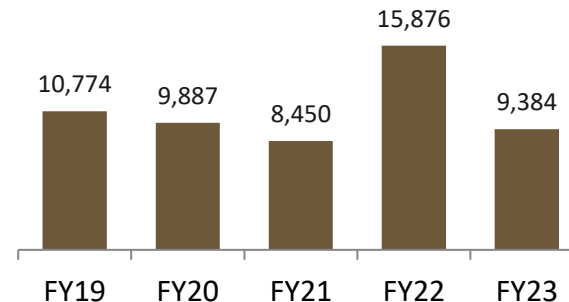
# Financial Performance (Standalone)

(in Rs. crore)

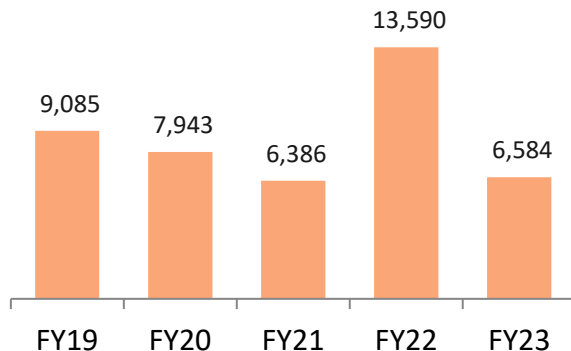
## Turnover (Gross)



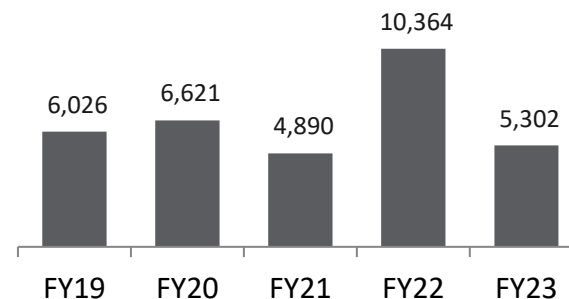
## Gross Margin (PBDIT)



## Profit Before Tax (PBT)



## Profit After Tax (PAT)





# One Off Transactions - FY 22-23

Particular	Amount ( Rs. in crores)
<b>❖ Gas Transmission Segment</b>	
▪ Deallocation of Domestic Gas for Compressor Fuel	800
▪ Refund of Transmission Charges to M/s IPCL	70
▪ Gas Handling Loss & Maintenance Usage Gas	150
▪ Provision for KKMBPL	110
<b>Total Impact in Gas Transmission Segment (A)</b>	<b>1,130</b>
<b>❖ Gas Marketing Segment</b>	
▪ Inventory Loss Booked in Q3 FY23	1,100
▪ Inventory Loss Booked in Q4 FY23	230
<b>Total Impact in Gas Marketing Segment (B)</b>	<b>1,330</b>
<b>❖ Others Segment - : Unallocated</b>	
▪ Provision for TAPI Pipeline	55
<b>Total Impact : Others (C)</b>	<b>55</b>
<b>Total Negative Impact (A+B+C)</b>	<b>2,515</b>
<b>❖ Positive :</b>	
▪ Refund of CST from Gujrat Sales Tax - PLL (Petrochemical)	70
▪ Reversal of provision in E&P Mahar Block A 3	50
<b>Total Positive Impact</b>	<b>120</b>
<b>Net Impact</b>	<b>2,395</b>

# Balance Sheet as on 31st March 2023

(` in crore)

## Assets

96,132

### Non Current

#### Assets

77,378

### Current

#### Assets

18,754

PPE	39,414
CWIP	13,662
Investments	12,789
Others	11,513

## Equity & Liabilities

96,132

### Equity

55,654

#### Equity Share

##### Capital

6,575

#### Other Equity

49,079

Retained Earnings	44,158
General Reserves, CRR etc.	127
Transition Reserve & OCI	4,794

### Liabilities

40,478

#### Non Current

##### Liabilities

20,108

#### Current

##### Liabilities

20,370

**Capital Employed**

**` 71,544 crore**

**Net Worth\***

**` 50,860 crore**

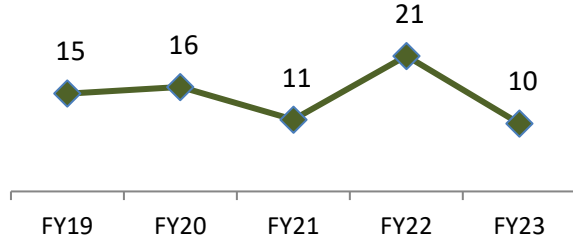
**Loan Outstanding\$**

**` 9,807 crore**

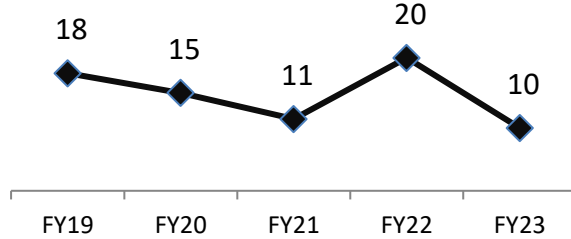
\* as per companies' Act, \$ - excluding Lease Liability

# Key Financial Ratios

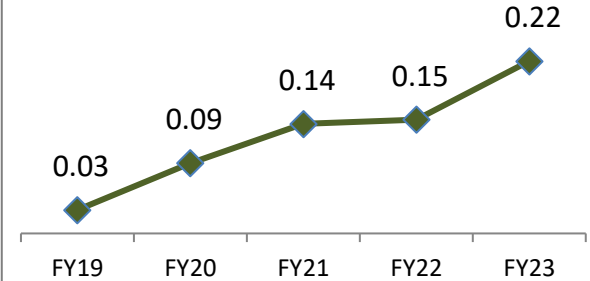
## PAT to Net Worth (in %)



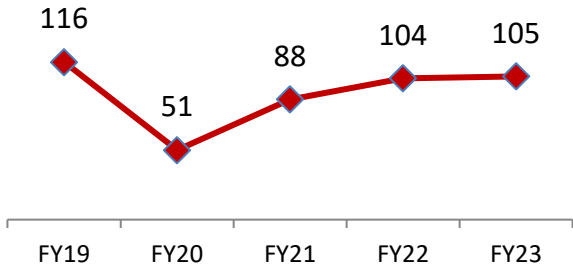
## Return on Capital Employed (in %)



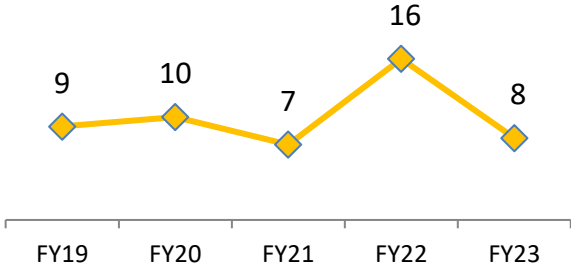
## Debt to Equity Ratio



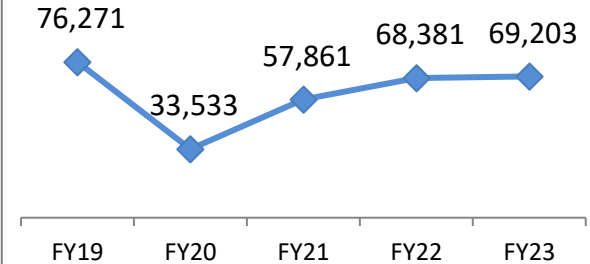
## Share Price (in Rs./Share)\$



## Earning Per Share\$ (in Rs./Share)



## Market Capitalization (in Rs./crore)

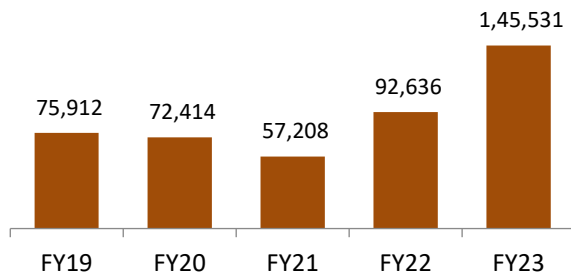


\$ Share Price & EPS for past periods are adjusted for Bonus issue in the ratio of 1:2

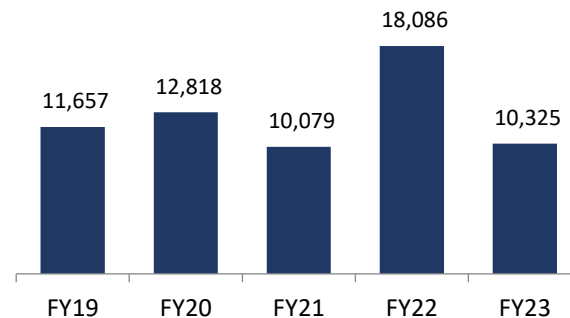
# Financial Performance (Consolidated Basis)

(in ` crore)

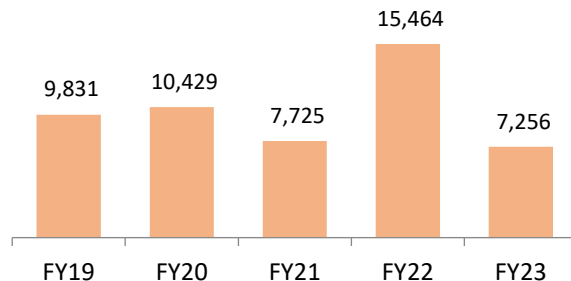
## Turnover (Gross)



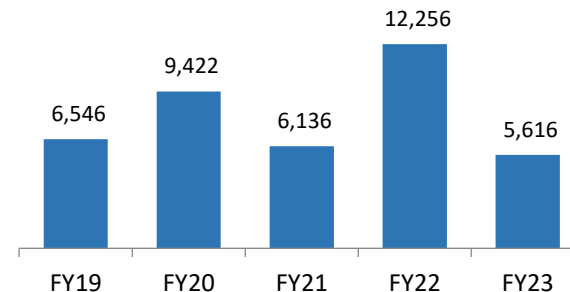
## Gross Margin (PBDIT)



## Profit Before Tax



## Profit after Tax



# Revenue Reconciliation on Consolidated Basis - FY23

(in ` crore)

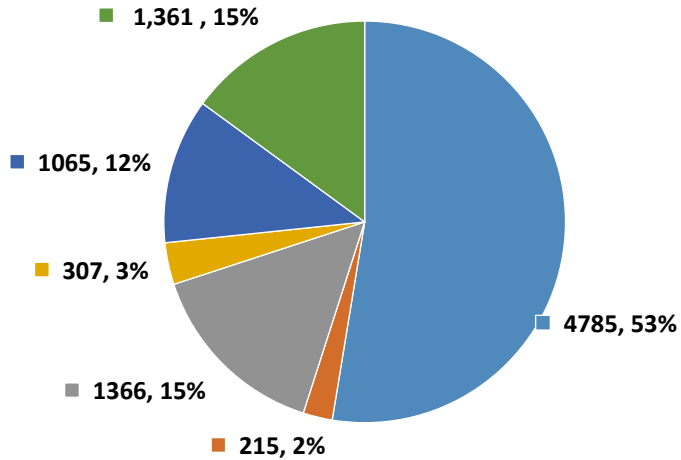
Entity	Revenue (Gross)	Elimination	Consolidated Revenue
GAIL	1,44,302	(14,535)	1,29,767
GG SPL	13,568	(8,356)	5,212
GGUI	9,809	(9,711)	98
TNGCL	264		264
GAIL GAS	10,524		10,524
BGCL	11		11
KLL	401	(401)	-
<b>Consolidated Revenue</b>	<b>1,78,878</b>	<b>(33,003)</b>	<b>1,45,875</b>

# PAT Reconciliation on Consolidated Basis - FY23 (in ` crore)

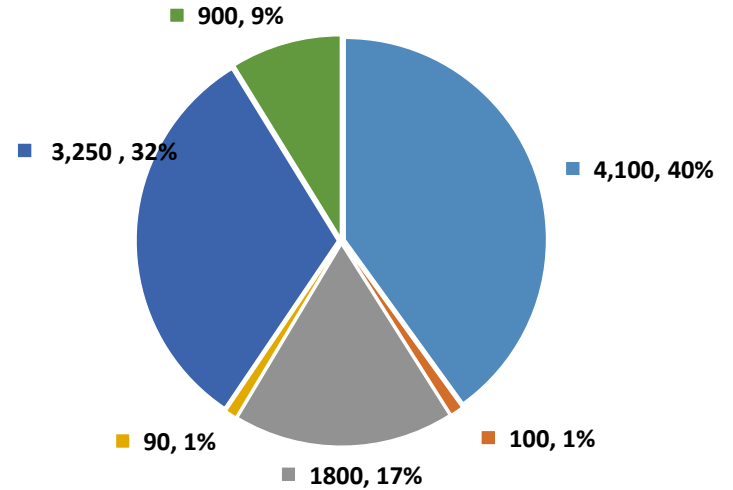
Particulars	% Share holding as on 31 <sup>st</sup> Mar 23	Investment (Net) on 31 <sup>st</sup> Mar 23	FY23
<b>GAIL</b>			<b>5,301.51</b>
<b>Subsidiaries</b>		<b>3,605</b>	<b>-128</b>
GAIL GAS	100%	2,034	283
GGSP	100%	45	3
GGUI	100%	186	5
Bengal Gas Company Limited	88%	439	(11)
Konkan LNG Limited	93%	886	(448)
TNGCL	49%	15	20
Less: Minority Interest	-		<b>20</b>
<b>Associates</b>		<b>2,845</b>	<b>1,352</b>
MGL	33%	32	369
PLL	13%	99	257
BCPL	70%	992	0
IGL	23%	32	0
Opal	49%	995	89
China Gas	3%	97	416
Fayum Gas	19%	8	166
Ramagundam Fertilizer	15%	270	0
ONGC Tripura Power Company Ltd	26%	319	1
LLC Bharat Energy Office	20%	1	54
<b>Joint Ventures (JVs)</b>	-	<b>1,143</b>	<b>171</b>
CGD JVs & Others (BGL, CUGL, GGL, MNGL, AGL, VGL, TAPI, IGGL)	-	1,143	171
<b>Adjustments</b>			
Add: Elimination of Dividend	-	-	(1032)
Add: Elimination Profit/Loss recognized from investments	-	-	6
Less: Others	-	-	54
<b>Consolidated</b>	-	-	<b>5,616</b>

# Capital Expenditure Profile

FY 2022-23  
~ 9,100 Cr.



FY 2023-24E  
~ 10,200 Cr. (in ` crore)



■ Pipeline ■ City Gas Distribution (Equity) ■ Petrochemical ■ E&P ■ Equity Investments # ■ Operational Capex & Others

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

# Includes Investment amount by GAIL in JBF in FY 2023-24

# Actual Capex & Capital Commitment in Major Projects

(in Rs./crore)

Name of Projects	Lengths of Pipelines (Km)/Capacity	Commissioned length (Km)	Expected Completion Date	Approved Cost	Capital Commitment	Actual Capex up to 31.03.2023
Phulpur Dobhi P/L (JHBDPL 1)	750	750	Commissioned	3,306	3,207	3,109
Dhamra-Angul P/L (JHBDPL 2A)	413	326	30 <sup>th</sup> Jun'2023	2,106	2,311	2,099
Dobhi-Durgapur P/L (JHBDPL 2B)	482	482	Commissioned	2,433	2,395	2,258
Bokaro-Angul P/L (JHBDPL 3A)	624	538	Commissioned^	3,048	2,776	2,552
Durgapur-Haldia P/L (JHBDPL 3B)*	294	-	30 <sup>th</sup> Jun 2024	1,740	1,861	1,376
Barauni Guwahati P/L (BGPL)	729	282	31 <sup>st</sup> Oct 2023	3,060	3,876	3,362
Dhamra-Haldia P/L*	253	-	30 <sup>th</sup> Jun 2024	1,031	859	562
KKBMPL – II P/L*	891	579	30 <sup>th</sup> Nov'2024	5,909	3,883	3,507
Srikakulam-Angul P/L	744	-	31 <sup>st</sup> Dec' 2024	2,658	2,065	1,334
Mumbai-Nagpur-Jharsuguda P/L	1,755	-	31 <sup>st</sup> Oct' 2024	7,844	6,332	4,350
<b>Major PC Projects:</b>						
Propane Dehydrogenation & Polypropylene Project (PDH-PP), Usar	500 KTA	NA	April 2025 (Mech Completion)	7,823	6,566	1,307
Polypropylene Project (PP), PATA	60 KTA	NA	July 2024 (Mech Completion)	1,299	970	358

\*Subject to availability of hindrance free RoU

^ Bokaro Angul Mainline & CGS Ranchi spurline commissioned. Spurlines to be completed in sync with readiness of consumers.



# Industry Outlook

## Natural Gas Segment



# Global Energy Scenario – Evolving Narrative

- Global energy scenario during 2022-2023 was shaped by several factors:
  - COVID-19 pandemic & Geopolitical tensions
  - Looming threat of recession
  - Supply chain challenges
  - Continuing shift towards renewable energy sources
- The energy transition has continued - many governments seek alternatives to volatile energy commodities
  - The economic competitiveness of key clean energy technologies improves against fossil fuels
  - Global renewable energy capacity increased by 9.6% last year - almost half of the new capacity was added in Asia
    - Wind and solar power accounted for 90% of the net additions
- Oil rose well above USD 100 per barrel in mid-2022
- Coal prices also hit record levels
- Gas markets were at the epi-center of global energy turmoil as Russia cut down gas supply to Europe
  - Global prices for spot purchases of natural gas touched 70 \$/MMBtu
  - In 2022, the LNG market saw a great deal of term contracting activity
    - Total 52 LNG SPAs signed with tenures of 10 years or longer (> 65 MTPA vis-a vis 41 MTPA in 2021)

# Global Energy Scenario – Demand Growth

- Though developed countries will become more efficient, developing countries, which represent 80% of the world's population, will use more energy as they pursue better living standards
    - Brazil, China, India, Indonesia, Mexico and South Africa together consume more than one third of the world's energy – expected to rise to 40% #.
    - With demand growing as energy needs expand, Asia presents the opportunity to grow the LNG market as natural gas can be used to replace coal and wood to reduce the emissions.
  - Share of gas in developed market may decline as these countries scramble to meet net zero goals
  - It is going to increase in developing world as their net zero targets are bit far in terms of timeline
- ❑ While lower-emission sources play important roles, natural gas will remain a significant part of the energy mix for decades, reinforcing the need for continued investment
  - ❑ Key to gas growth: maintaining an affordable, resilient supply that's sustainable for the planet

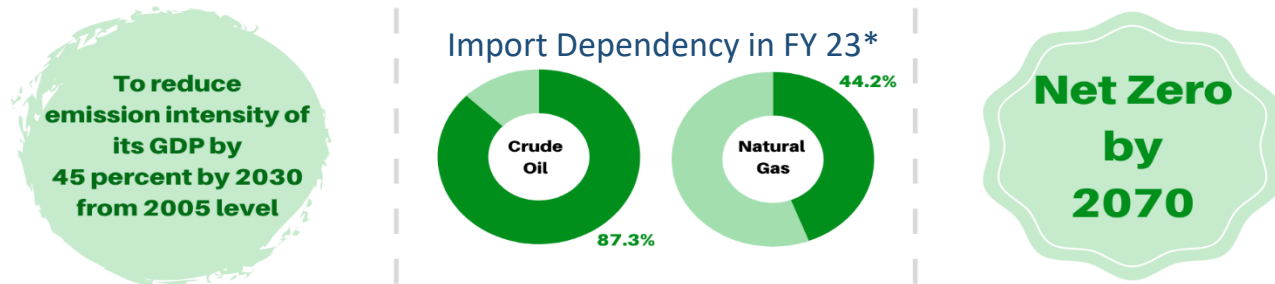
# Global Energy Consumption - Comparison

Figures rounded off

Region	Oil	Natural Gas	Coal	Nuclear Energy	Hydro electric	Renewables
World	30.95%	24.42%	26.90%	4.25%	6.76%	6.71%
Asia Pacific	25.93%	12.13%	46.85%	2.37%	6.40%	6.32%
China	19.41%	8.65%	54.66%	2.33%	7.77%	7.18%
India	26.56%	6.32%	56.70%	1.13%	4.26%	5.05%

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

# Indian Energy Scenario



- Energy demand in India is growing rapidly with major implications for the global energy market
  - India has seen its energy demand increasing rapidly
    - the country continues to urbanize
    - development of manufacturing sector
  - India has made remarkable progress in providing access to electricity and clean cooking fuel
    - Implemented a range of energy market reforms and integrating a high share of renewable energy sources into the grid
  - India's continued reliance on imported fuels creates vulnerabilities
    - price cycles and volatility,
    - possible disruptions to supply
- } Long term contracts provide a stable solution

# India is among the top 14 gas consuming countries globally

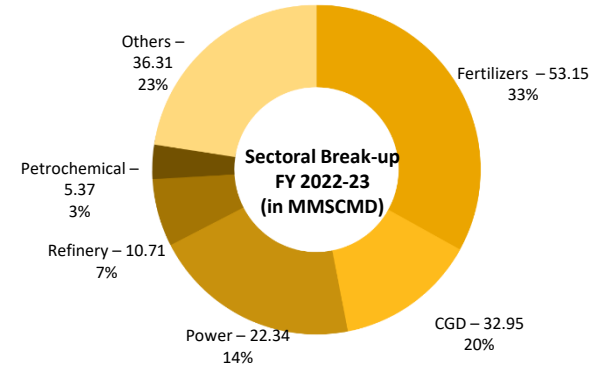
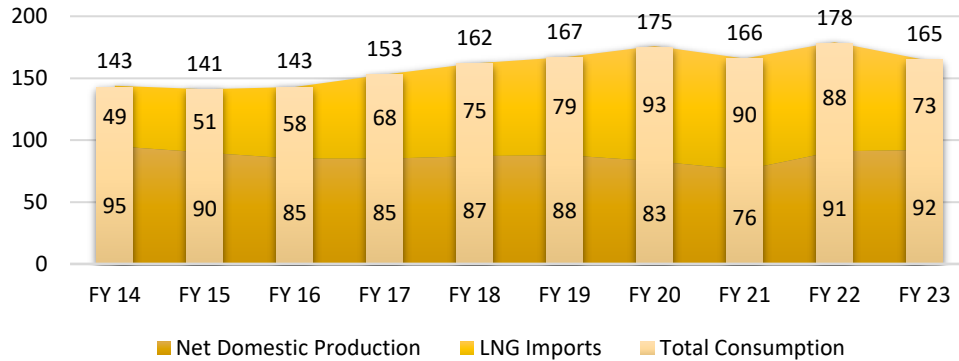
1 BCM = 2.74 MMSCMD

Top 15 Gas consuming countries globally in 2021		Gas Consumption (in BCM)	Share of gas in Primary Energy 2021 (%)
		2021	
1	US	826.7	32.01%
2	Russian Federation	474.6	54.60%
3	China	378.7	8.65%
4	Iran	241.1	71.21%
5	Canada	119.2	30.77%
6	Saudi Arabia	117.3	39%
7	Japan	103.6	21.03%
8	Germany	90.5	25.79%
9	Mexico	88.2	46.83%
10	United Kingdom	76.9	38.58%
11	Italy	72.5	41.04%
12	United Arab Emirates	69.4	55.19%
13	South Korea	62.5	17.89%
14	India	62.2	6.32%
15	Egypt	61.9	58.84%

Source: BP Statistical Review of World Energy 2022

# Natural Gas Consumption – Historical

## Natural Gas Consumption in India (in MMSCMD)



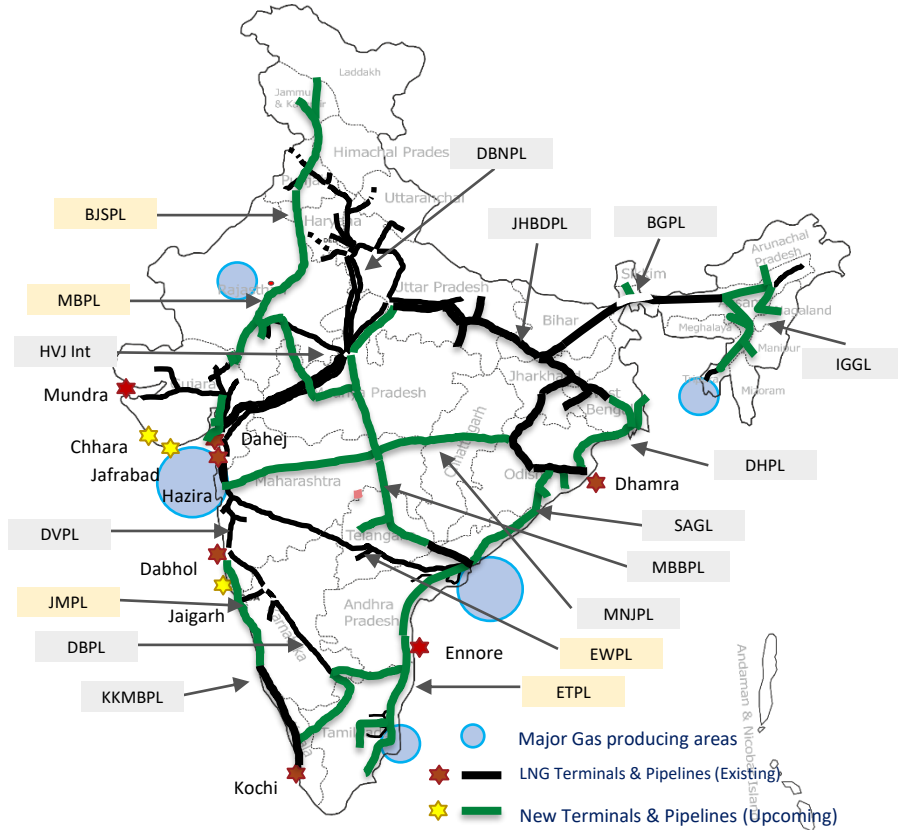
Currently, Fertilizer sector accounts for the major share of consumption in the country. However, growing at a CGAR of > 12%, consumption of CGD sector is expected to increase significantly in coming years.

# Natural Gas Consumption – Outlook

- Indian GDP is estimated to reach ~USD 7 Trillion by 2030
  - Govt. of India targets to take natural gas to 15% of the PE mix
- } Natural gas has potential to grow at CAGR of ~25%
- India's current policies focus on fuel switching through promotion of Natural Gas
  - Implementation of Unified Tariff will expand India's gas penetration, especially in East India, which is far from gas sources - as pipeline transportation costs reduced significantly
  - India recently linked Domestic Natural Gas pricing with crude oil prices
    - Significant decrease in prices of PNG for households and CNG for transport
  - Such reforms will help expand the consumption of natural gas and contribute to achievement of target of emission reduction and net zero
  - Increased availability of domestic gas including HPHT has aided in import reduction
    - India's Import Dependency in Natural Gas has decreased to 44.2% in FY 2022-23 as compared to 48.4% in FY 2021-22



# Gas infrastructure in India - “One Nation-One Grid”



Natural Gas Pipelines  
(km)

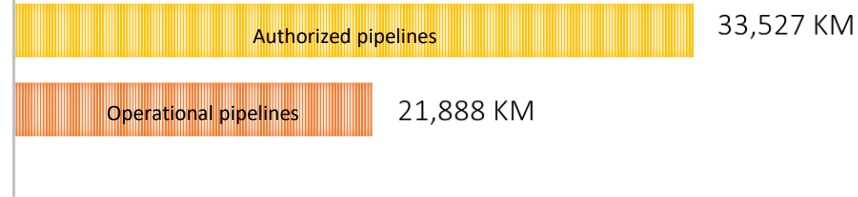
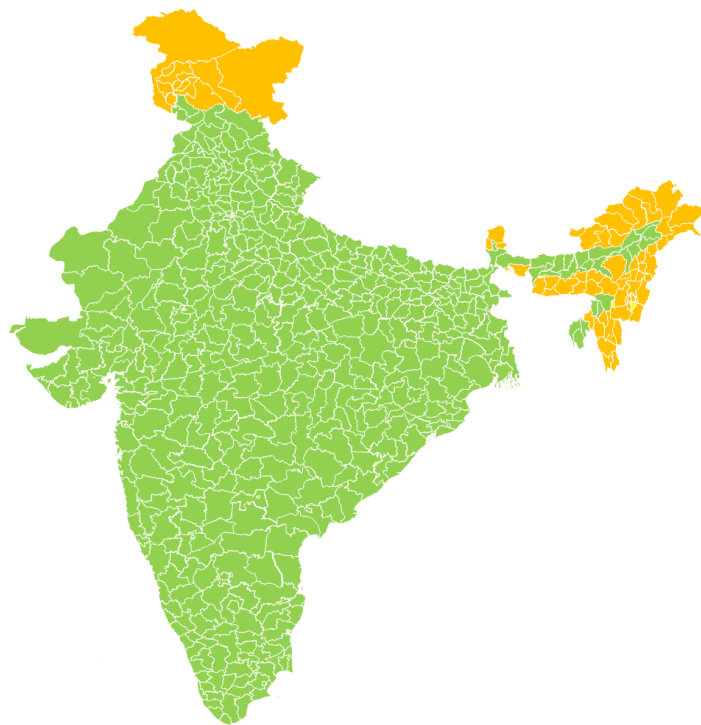


Fig: PNGRB | Natural Gas Pipelines Network in India - as on 31<sup>st</sup> December, 2022

- Operational Pipelines : **21,888 Km** ; GAIL : ~15,400 Km
- Under Construction Pipelines : **12,776 Km** ; GAIL : ~4,000 Km

Envisaged NGG length of ~35,000+ Km in next 4-5 years

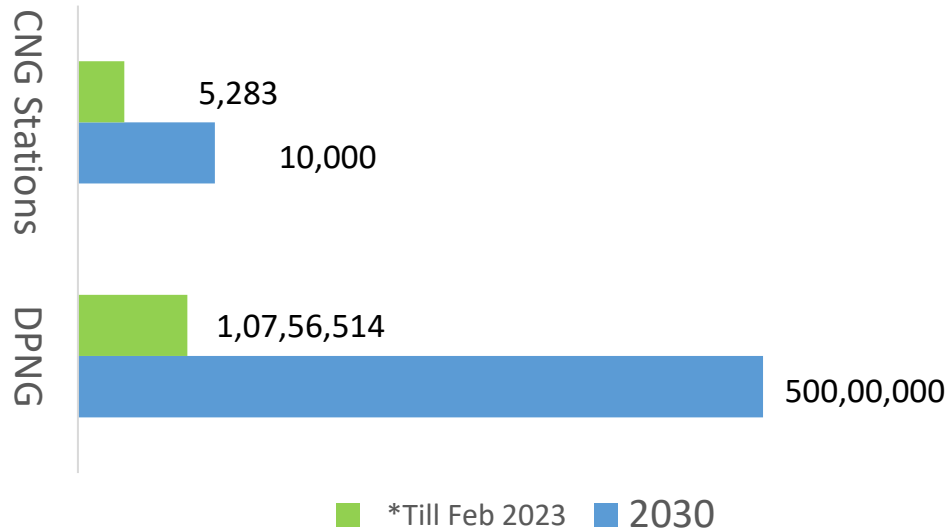
# City Gas Distribution – Making gas accessible to public



CGD up to 11<sup>th</sup> round (295 GASs)



Yet to be authorized



## CGD Growth:

- Potential to cover ~ 88% of country's area , ~98% of country's population, more than 600+ districts countrywide
- With increased focus of Govt on CGD sector, it is expected to grow at a CAGR of more than 12% in coming years

# Petrochemical Business Outlook

- ❑ India's per capita consumption of plastics is just 12 kg vs. China per capita consumption of 82 kg.
- ❑ World average per capita consumption of Plastics is ~38 Kg with US consuming as high as 93 Kg per capita

India's per capita consumption is one of the lowest in Asia

Future Polymer demand growth is estimated ~6-7% p.a: Upside for Plastics in general and GAIL in particular

## Major Highlights of GAIL's Petrochemical Business in FY 2022-23

- ❑ Sold 645 KTA of polymers (399 KTA - GAIL & 246 KTA - BCPL)
- ❑ PC capacity enhancement under progress; 500 KTA PDH-PP plant at Usar & 60 KTA PP plant at Pata
- ❑ SAS based Mobile APP implemented to analyze different key performance metrics of PC Marketing.

### Future demand drivers

- ✓ Packaging Industry
- ✓ Ecommerce driving packaging
- ✓ Automobile /Construction Industry
- ✓ Agriculture Industry

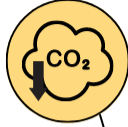
Growth drivers coupled with capacity addition will result in growth in Top line as well as Bottom line for GAIL

G-Lex

Source: CPMA & internal data

G-Lene

# New Initiatives



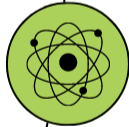
## Net Zero

- **GAIL - Net Zero by 2040** - 3 GW RE by 2030
- 100% reduction of Scope 1 and Scope 2 by 2040
- 35% emission reduction of Scope 3 by 2040



## Compressed Bio Gas (CBG)

- GAIL to support **400 CBG plants**
- **334 LOIs for 1835 TPD of CBG** issued
- GAIL's pilot **5 TPD CBG** plant in **Ranchi** is under construction
- CBG project in Bengaluru is under approval



## Hydrogen

- Blending of Green Hydrogen for PNG/CNG/ Industrial customers in **Indore (MP)**
- Study by EIL on impact of H2 blending
- **Setting up 10 MW electrolyser for production of Hydrogen in Vijaipur**



## Acquisition

- GAIL resolution plan has been approved by NCLT vide order dated 13.03.2023 for acquisition of JBFPL.
- GAIL acquired 26% equity in 'LNG Japonica' vessel of Mitsui OSK Lines, Japan

# Our Touch Points

## For Institutional Investors & Analysts



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