



INDRAPRASTHA GAS LIMITED

An Overview

February' 2016

Background

Incorporated in 1998, IGL is a Joint Venture of GAIL and BPCL. Govt. of NCT of Delhi is also holding 5% equity

IGL started its operations in NCT of Delhi in 1999 with only 9 CNG stations and 1000 PNG consumers

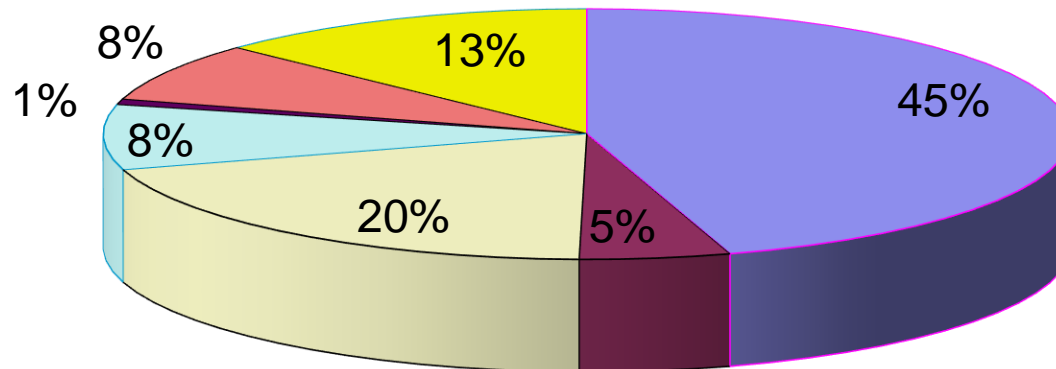
Today IGL has its operations in NCT of Delhi, Noida, Greater Noida and Ghaziabad with 326 CNG stations, 6.14 lacs residential consumers and 2.5 thousand industrial / commercial customers

Fuelling the largest CNG Bus fleet in the World

Shareholding Pattern

% HOLDING

- Promoters - 45% (GAIL-22.5% & BPCL- 22.5%)
- Government of NCT of Delhi - 5%
- Foreign Institution Investors - 20%
- Mutual Funds - 8%
- Indian Financial Institutions & Banks - 1%
- Insurance Companies - 8%
- Public / Others - 13%



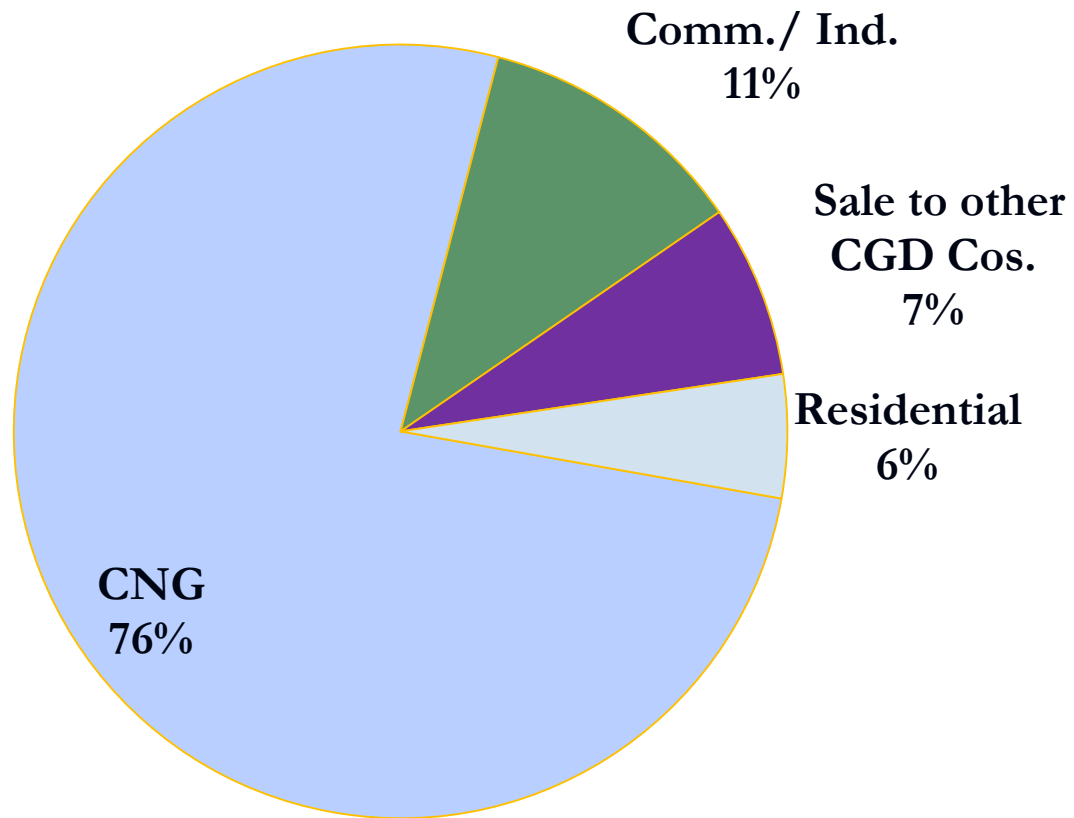
Management

- IGL Board is fairly well diversified with ten members including two each from GAIL and BPCL, one from Govt. of Delhi and five independent directors.
- The company is beneficiary of its strong parentage and gets significant support from GAIL and BPCL relating to operations and management.
- By virtue of the presence of Govt. of Delhi as a minority shareholder, the company gets support for speedy administrative approvals.
- The company has highly qualified senior management personnel with several years of experience in Oil & Gas sector.

Area of Operation

- Delhi: National capital of India has huge demand potential:
 - where all public transport vehicles have to be necessarily run on CNG in view of the directions of the Hon. Supreme Court of India.
 - has the highest number of private cars compared to any other city of India
 - thickly populated having large number of residential & commercial complexes and hospitals etc..
- Noida: Most advanced city of state of Uttar Pradesh having huge potential for CNG, PNG-Residential and commercial volumes.
- Greater Noida and Ghaziabad: Residential cum Industrial towns of Uttar Pradesh having huge potential demand for PNG Residential, Commercial and Industrial.

Segment & Current Sales Volume Mix



Sales Volumes

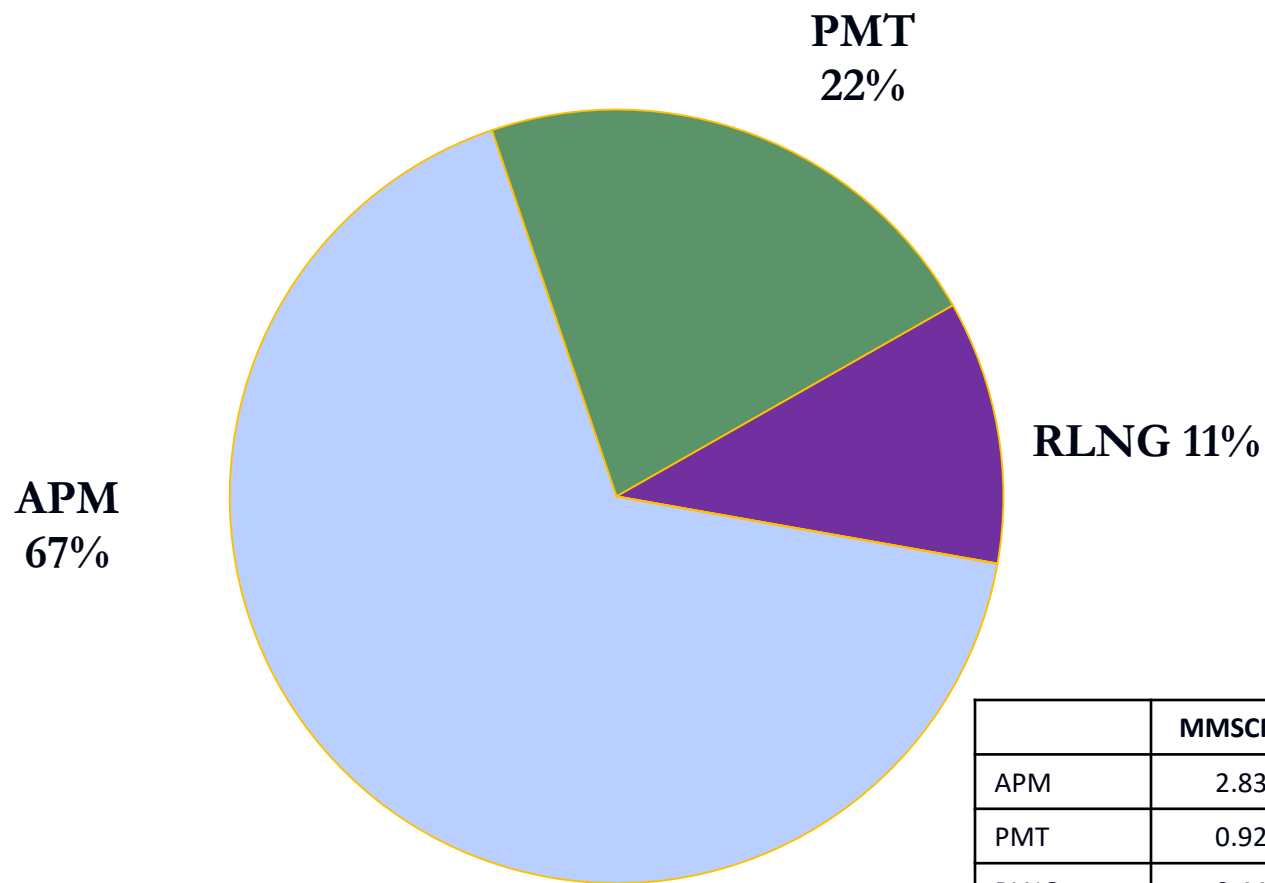
Figures in MMSCM

	FY12	FY13	FY14	FY15	CAGR last five years	Apr/De c'15
CNG	936	1,005	1,028	1,073	6%	836
PNG	282	333	356	330	13%	256
Total Sale	1,218	1,338	1,384	1,403	7%	1,092
Daily Average Sale	3.34	3.67	3.79	3.84	7%	3.97

Gas Sourcing

- Firm allocation from Govt. of India of domestic gas for the entire consumption of CNG and PNG Domestic segment. Lower prices of domestic gas makes the economics of switching to gas more attractive driving growth in CNG & PNG- Domestic segments which constitute around 82% of the total sales volumes.
- Have tied up long term contract for RLNG to meet PNG Industrial & Commercial demand.
- Buying short term gas from the open market (Shell, IOCL, Petronet, GSPC, BPCL etc.).

Current Gas Mix



	MMSCMD	% Mix
APM	2.83	67%
PMT	0.92	22%
RLNG	0.44	11%
Total	4.19	100%

Growth in CNG

PARAMETER	UNIT	March' 11	March' 12	March' 13	March' 14	March' 15	Dec'1 5
No of CNG Stations	Nos	278	308	324	325	326	326
Compression Capacity	(Lakh kg/day)	51.13	59.56	63.83	66.17	68.49	68.59
Average CNG Sale	(Lakh kg/day)	16.71	19.15	20.72	21.20	22.07	22.70

CNG Station Network

Figures in numbers

STATION	IGL	DTC/ UPSRTC	OMC	TOTAL
Online	126	53	115	294
Daughter Booster	2	0	30	32
Total	128	53	145	326

CNG Vehicles

Figures in numbers

	M arch' 12	M arch' 13	M arch' 14	M arch' 15	CAGR last five years	Dec'15
Buses	18839	18826	19566	19421	7%	21280
Auto/LGV	159123	193852	206352	228002	16%	240150
RTV	13007	14062	14039	13538	19%	14297
Cars/Taxi	359176	460926	514801	556156	21%	595623
Total	550145	687666	754758	817117	19%	871350

PNG Users

Figures in numbers

CATEGORY	March' 12	March' 13	March' 14	March' 15	Dec' 15
Domestic	332844	386696	459467	560752	613888
Commercial/ Industrial	862	1382	1876	2292	2519
Total	333706	388078	461343	563044	616407

PNG Network

Figures in kilometers

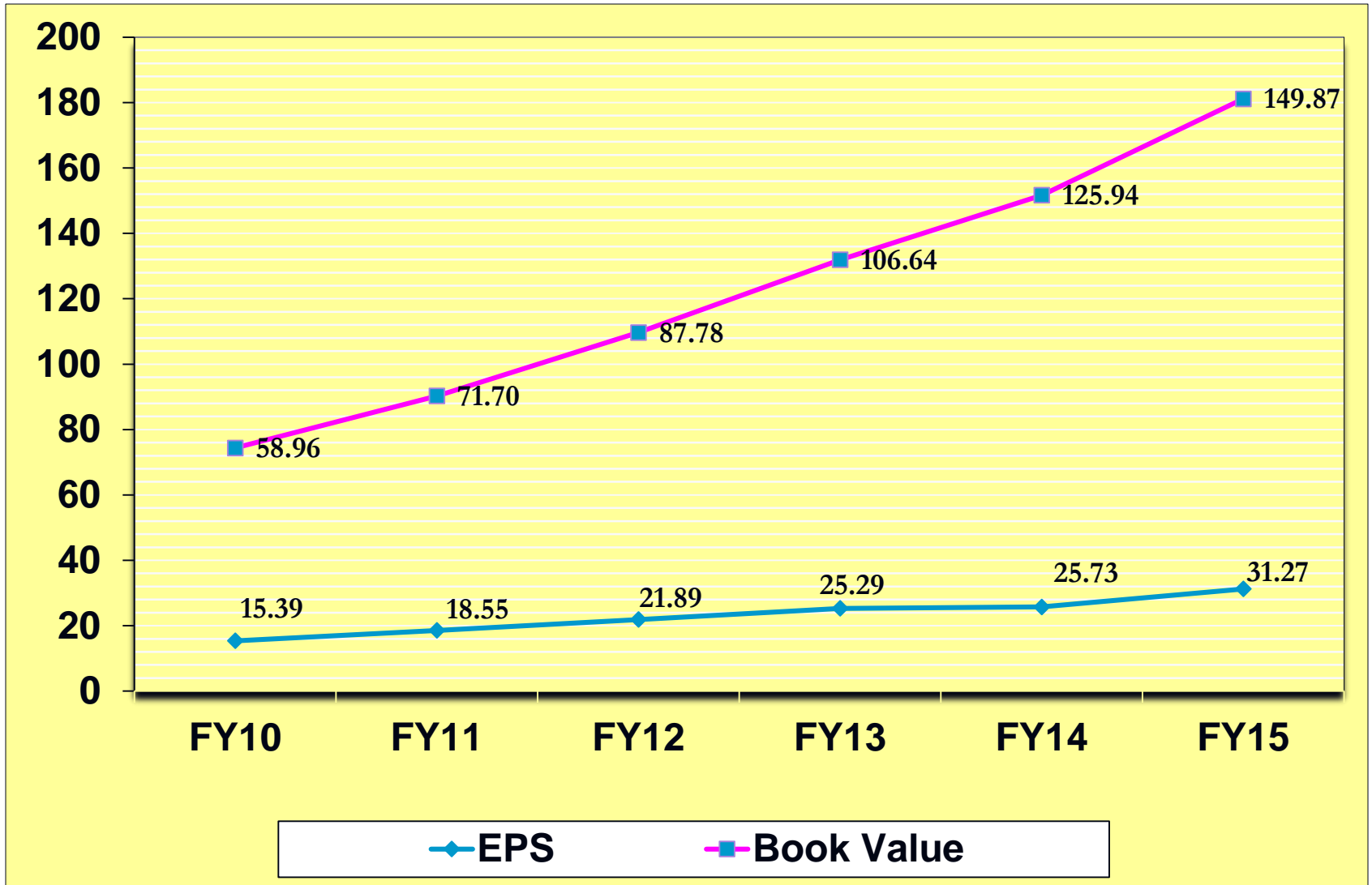
CATEGORY	March '12	March '13	March '14	March' 15	CAGR last five years	Dec'15
Steel Pipeline	574	631	658	681	18%	697
MDPE Pipeline	6479	7783	8438	8966	31%	9270
Total	7053	8414	9096	9647	30%	9967

Turnover, EBIDTA & PAT

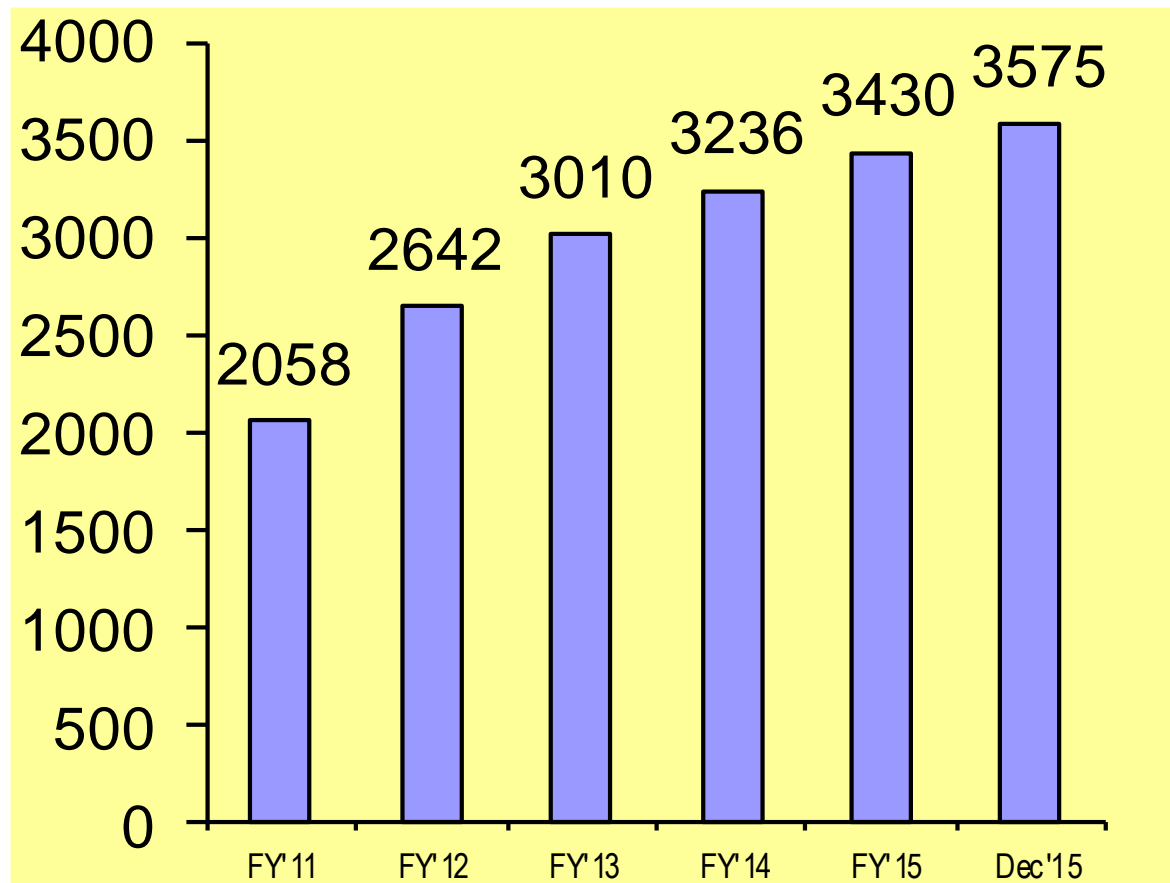
Rs./Crores

	FY12	FY13	FY14	FY15	CAGR	Apr/ Dec' 15
GROSS TURNOVER	2790	3724	4319	4049	27%	3076
EBIDTA	641	771	803	828	16%	575
PAT	306	354	360	438	15%	309

Book Value & EPS



Cumulative Capex (Rs. in crores)



Dividend

- Dividend Policy provides liberal payout
- Track record of last five years

<u>Year</u>	<u>% of equity</u>
FY11	50
FY12	50
FY 13	55
FY 14	55
FY 15	60

Growth-Strategy

- IGL has acquired 50% equity share capital of Central UP Gas Limited (CUGL) for Rs. 69 crores. CUGL is engaged in the CGD in the cities of Kanpur and Bareilly, Unnao & Jhansi in Uttar Pradesh.
- IGL has acquired 50% equity share capital of Maharashtra Natural Gas Limited (MNGL) at a price of Rs.38 per equity share aggregating to Rs. 190 crores. MNGL is engaged in the CGD in the city of Pune and nearby areas.

The above has resulted in diversification of geographical areas and consolidated earnings of IGL to improve by approx. 10 %.

- IGL has submitted bids for three cities namely Yamuna Nagar, Rewari & North Goa in the ongoing CGD bidding process.

Growth-Strategy

- Improve/Augment CNG infrastructure/Stations in Delhi & NCR to meet the additional demand in view of conversion of private cars and improvement in public transport system
- Improve penetration of PNG business :
 - Penetration of network in all charge areas
 - Target Industrial/Commercial customers in both Delhi & NCR
- Bidding for new cities
- Synergy

Credit Strength

- Healthy profitability with strong cash generations from operations.
- Maintaining low debt at present with debt equity ratio of 0.03.
- Comfortable working capital position.
- ICRA Limited (An associate of Moody's Investors Service) has reaffirmed highest credit ratings of AAA (Stable) for term loan and A1+ for short term loan.

Risks & Mitigations

■ Gas price

- CNG & PNG-Residential prices still remains competitive vis-à-vis petrol and subsidised LPG in view of allocation of domestic gas
- Spot/short term gas is purchased to reduce the weighted average cost of gas for I/C segment.

■ Sourcing of gas

- Firm allocation from Govt. of India for domestic gas - buying from GAIL.
- Buying Long term TRLNG gas from Promoter Companies GAIL/BPCL
- Buying short term gas from the open market i.e. IOCL, GSPCL & Shell etc.

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