



GAIL (INDIA) LIMITED

Manoj Jain

Chairman and Managing Director

GAIL is one the largest PSUs (Maharatnas) in the country. How would you summarize your company's journey since its inception?

GAIL (India) Limited (formerly known as Gas Authority of India) was incorporated on 16.08.1984, pursuant to a Cabinet decision with the mission of "Accelerating and optimizing the effective and economic use of Natural Gas and its fractions for the benefit of the national economy". For the enhancement of the Indian gas sector, GAIL was given the mandate to create the necessary infrastructure for transportation, processing, and distribution of gas; to plan, design, and construct pipelines, distribution systems, and fractionation facilities (for extraction of LPG and C2/C3) and operate and maintain the systems and assets to be taken over from ONGC/OIL.

The journey started as a single pipeline company with the responsibility of construction, operation & maintenance of the Hazira - Vijaiapur – Jagdishpur (HVJ) pipeline project which was one of the longest cross-country pipeline projects in the world. This 1,800 km long pipeline laid the foundation for the development of the Natural Gas market in India. Along the HVJ pipeline, one of the largest optical-fiber-based telecommunication systems in the country has also been established for the Supervisory Control and Data Acquisition (SCADA) system.

Over the years, GAIL has grown organically and has become the largest integrated Natural Gas Marketing & Transmission Company in India, having its presence

along the entire natural gas value chain comprising Gas Transmission & Marketing, LPG Transmission, Gas Processing, Petrochemicals, LNG imports & trading, Exploration & Production and City Gas Distribution. GAIL has also diversified into renewable energy businesses like Solar, Wind, CBG, Hydrogen, etc.

At present, GAIL owns and operates around 14,300 km (74%) length of the pan-India natural gas pipeline network in 28 states and UTs and is in process of laying sections of the National Gas Grid (NGG), by adding another 5000 km in NGG with an estimated capital expenditure of more than ₹ 25,000 crore. It also owns and operates 2,038 km length of LPG pipeline with the capacity to transport 3.8 MMTPA of LPG.

Around 53% of natural gas and 46% of LNG is sold by GAIL in the country, fulfilling 69% of gas requirement by Fertilizer, 60% by Power and 58% by CGD sector in India.

GAIL's international footprint is marked by its presence among the top 10 LNG portfolio players in the world, with a portfolio size of over 14 MTPA with geographic supply diversity besides varied price indices.

CGD networks of GAIL, together cater to around 67% of over 93.5 lakh domestic PNG connections in the country. Further, GAIL operates 46% of India's CNG stations through JVs and subsidiaries.

In the petrochemical space, GAIL owns and operates the largest gas-based petrochemical complex in North India at Pata in Uttar Pradesh with a capacity

to produce 810,000 tonnes per annum. Brahmaputra Cracker and Polymer Limited, a GAIL's subsidiary, owns and operates a petrochemical complex of 280,000 tonnes per annum. Besides, GAIL is a co-promoter in ONGC Petro-additions Limited (OPaL) which operates a petrochemical complex of 1.4 million tonnes per annum polymer capacity at Dahej in Gujarat. Further, the company is in the process of setting up India's first-of-its-kind 500 KTA Propane Dehydrogenation & Polypropylene Project (PDH-PP) at Usar in Maharashtra and a 60 KTA Polypropylene Project (PP) at Pata in Uttar Pradesh.

Taking steps towards carbon free future, the company has installed capacity of ~130 MW of renewable energy and exploring emerging areas including ethanol, hydrogen, etc. for new business opportunities. Additionally, a hydrogen blending has been started as a pilot project to establish the techno-commercial feasibility of blending hydrogen in the CGD network in Indore and is setting up a 10 MW green hydrogen plant which will be one of the largest green hydrogen plants in India. The company is in the process of establishing 3 ethanol plants in JV mode of 500 KLPD each.

Starting its journey as a natural gas transmission company, today GAIL has evolved as an Integrated energy major with diversified interests in Natural Gas Marketing, Processing, Distribution with forward and backward linkages in Exploration & Production, Petrochemicals, Liquid Hydrocarbons and CGD as well as in LNG sourcing, shipping, regasification

and trading. Apart from key initiatives in core business of gas marketing and gas transmission business, the company is in process to build a strong business portfolio in renewable and alternate energy, Petrochemicals and specialty chemicals.

In the current scenario of geopolitical volatility, how do you see the Gas Processing & Marketing sector evolve in the next few years in India? What is the company's growth strategy over the next 3-5 years?

During FY22, GAIL has achieved the highest ever yearly financial results on all three parameters i.e. turnover, PBT, and Profit after tax. This robust performance is primarily driven by improved physical performance in the natural gas marketing and transmission segment and better price realization across all business segments. India's domestic gas production has experienced a renaissance since 2021, complementing India's LNG demand growth which to enable India to usher towards a gas-based economy.

GAIL's robust growth is propelled by its 'Strategy 2030', prepared with an objective to take GAIL to the next level of growth and excellence. We aim to create a strong and balanced business portfolio and supporting organizational structure which is not only robust enough to respond to the fast-changing business scenario but also unlocks growth opportunities for the long-term growth of the Company and in turn, delivers long-term value to stakeholders. Several strategic initiatives were identified across various business verticals, primarily focusing on core areas like Gas Sourcing and Marketing, Expansion of the National Gas Grid (NGG), CGDs, expansion in Petrochemicals including PDHPP, etc. Apart from these, new potential growth drivers such as creating a sizable renewable energy portfolio, entering into specialty chemicals, investing in new technologies, and clean energy have also been analyzed. GAIL will continue to explore diverse business prospects,

making seed investments in new emerging areas which can provide GAIL with the requisite experience to scout for scalable opportunities in the coming years to provide a strong foundation for driving the next phase of growth beyond 2030.

For the next 3 to 5 years GAIL is building National Gas Grid (NGG), PDHPP & PP plants, while also sourcing for additional LNG. GAIL has aligned itself with Government priorities, supporting the development of the Indian gas market and working towards the completion of the NGG and is laying important sections of NGG i.e., Jagdishpur-Haldia-Bokaro-Dhamra Pipeline, Barauni-Guwahati Pipeline, Kochi-Koottanad-Bengaluru-Mangaluru Pipeline Phase-II, Vijapur-Auraiya Pipeline, Mumbai-Nagpur-Jharsuguda Pipeline, North East Gas Grid (through Indradhanush Gas Grid Limited, JVC with IOCL, ONGC, OIL, NRL) and providing last-mile connectivity which will add another 5000 km in NGG with estimated capital expenditure of more than ₹ 25,000 crore. GAIL is also constructing the breakwater facilities at its Dabhol terminal in Maharashtra, after which, the terminal shall be able to operate throughout the year, utilizing its full capacity.

GAIL is an integral part of the MoP&NG's initiative – SATAT (Sustainable Alternative Towards Affordable Transportation) and is exploring various business opportunities in Compressed Bio Gas (CBG). GAIL has set a target of supporting 400 CBG plants through issuing LOIs and 255 LOIs have already been issued. Apart from these, a pilot 5 TPD CBG project at Ranchi is in the verge of completion and another waste-to-energy project is being envisaged in Bengaluru.

GAIL India has decided to invest ₹ 6,000 crore in the next three years in green energy solutions. What are some of the other key ESG initiatives taken by your company in recent years? What impact did it have on society?

GAIL is committed towards leading the Indian gas industry, with sustainability

anchored at the core of its strategy and operations. Economic, environmental, and social concerns form the core of our business processes. Around 40% landholding of GAIL is covered by green belts and water bodies. In line with the COP21 Paris agreement's 1.5-degree scenario, GAIL is formulating a detailed Science-based Net Zero target, and subsequently aligning our strategic initiatives to make the requisite investments in green energy solutions to achieve the Science-based Net Zero target.

As a responsible corporate citizen and in line with the Government of India's commitment to reduce carbon emissions, GAIL is targeting to decrease its carbon footprint in a phased manner and contribute toward a low carbon economy. In the last two years, five major GAIL sites have achieved GreenCo rating. GAIL's Pata complex has been rated Gold category whereas GAIL's Vijapur, Gandhar, Vaghodia, and VSPL pipeline have been rated Silver category. GAIL has been included in the FTSE4Good Index Series for the fifth time in a row, affirming the company's strong commitments toward Environmental, Social, and Governance (ESG) practices in the Oil and Gas sector.

GAIL has commissioned India's second-largest rooftop solar capacity at Pata and another rooftop solar PV plant of 2.64 MW capacity is underway. GAIL has commissioned a Heat-Recovery Steam Generator (HRSG) plant in GAIL Vijapur for waste heat recovery. GAIL is currently in process of building India's one of the largest green hydrogen plants and has undertaken a pilot project to analyze the feasibility of H-CNG (Hydrogen blended CNG). GAIL is setting up a pilot CBG Unit at Ranchi and is exploring possibilities of setting up another CBG unit at Bengaluru. GAIL has signed MoU with Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL) for the setting up of green Hydrogen/green Ammonia plants along with the possibility of Renewable units and is exploring setting up Ethanol Plant for ethanol blending purposes through JV / partner mode.