



# ***INDRAPRASTHA GAS LIMITED***

## ***An Overview***

*May' 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

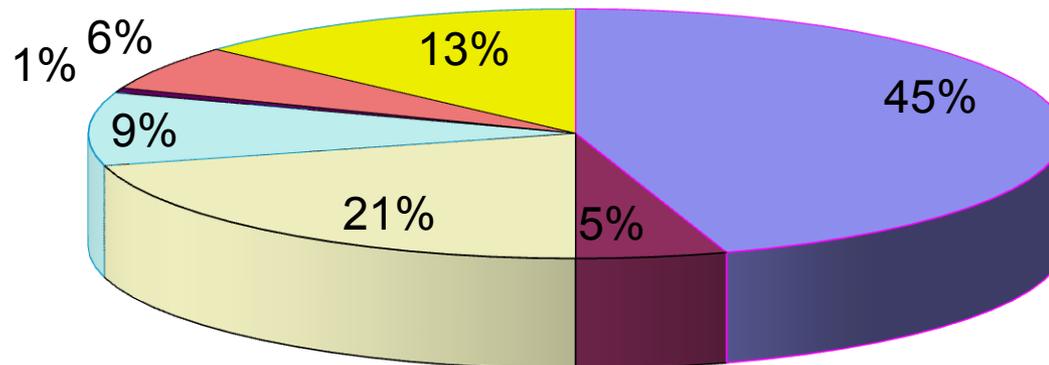
Today IGL has its operations in NCT of Delhi, Noida, Greater Noida and Ghaziabad with 340 CNG stations, 6.36 lacs residential consumers and 2.6 thousand industrial / commercial customers

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 - 21%
- Mutual Funds - 9%
- Indian Financial Institutions & Banks - 1%
- Insurance Companies - 6%
- Public / Others - 13%



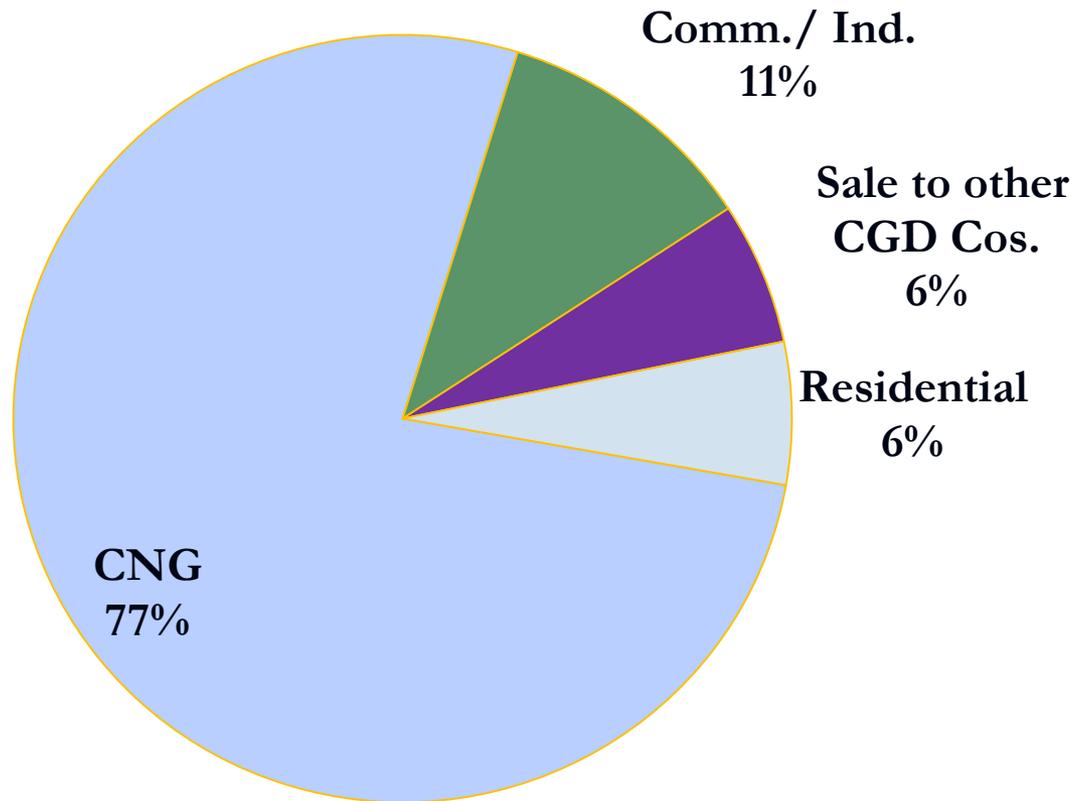
# Management

- 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*

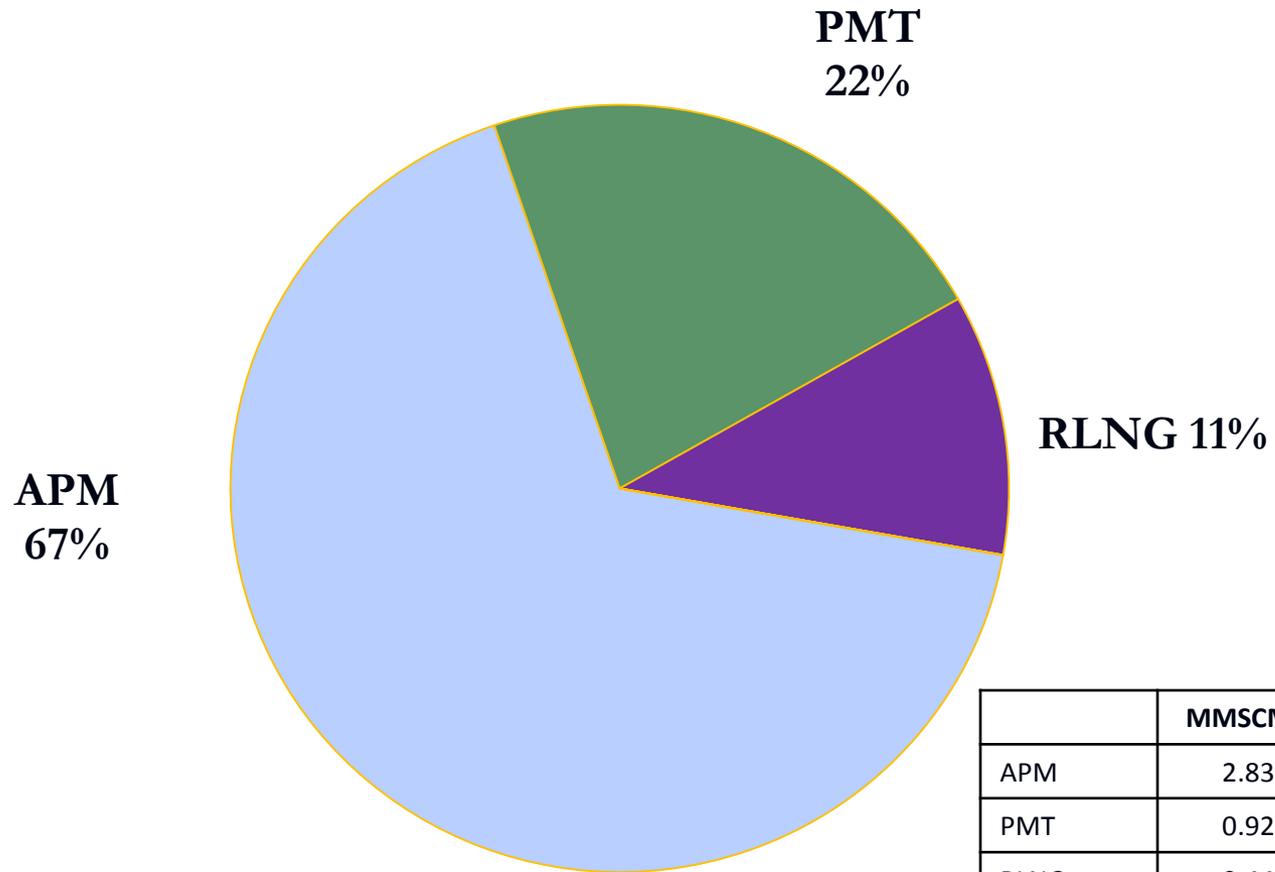
Figures in MMSCM

	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>CAGR last five years</b>
<b>CNG</b>	<b>936</b>	<b>1,005</b>	<b>1,028</b>	<b>1,073</b>	<b>1,123</b>	<b>7%</b>
<b>PNG</b>	<b>282</b>	<b>333</b>	<b>356</b>	<b>330</b>	<b>342</b>	<b>14%</b>
<b>Total Sale</b>	<b>1,218</b>	<b>1,338</b>	<b>1,384</b>	<b>1,403</b>	<b>1,465</b>	<b>8%</b>
<b>Daily Average Sale</b>	<b>3.34</b>	<b>3.67</b>	<b>3.79</b>	<b>3.84</b>	<b>4.00</b>	<b>8%</b>

# 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 83% 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%
<b>Total</b>	<b>4.19</b>	<b>100%</b>

## *Growth in CNG*

PARAMETER	UNIT	March' 11	March' 12	March' 13	March' 14	March' 15	March' 16
No of CNG Stations	Nos	278	308	324	325	326	340
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	22.79

# *CNG Station Network*

Figures in numbers

<b>STATION</b>	<b>IGL</b>	<b>DTC/ UPSRTC</b>	<b>OMC</b>	<b>TOTAL</b>
<b>Online</b>	<b>127</b>	<b>55</b>	<b>124</b>	<b>306</b>
<b>Daughter Booster</b>	<b>2</b>	<b>0</b>	<b>32</b>	<b>34</b>
<b>Total</b>	<b>129</b>	<b>55</b>	<b>156</b>	<b>340</b>

# CNG Vehicles

Figures in numbers

	March' 12	March' 13	March' 14	March' 15	March' 16	CAGR last five years
<b>Buses</b>	18839	18826	19566	19421	19272	3%
<b>Auto/LGV</b>	159123	193852	206352	228002	245717	15%
<b>RTV</b>	13007	14062	14039	13538	13783	4%
<b>Cars/Taxi</b>	359176	460926	514801	556156	589801	16%
<b>Total</b>	550145	687666	754758	817117	868573	15%

# *PNG Users*

Figures in numbers

<b>CATEGORY</b>	<b>March' 12</b>	<b>March' 13</b>	<b>March' 14</b>	<b>March' 15</b>	<b>March'16</b>
<b>Domestic</b>	<b>332844</b>	<b>386696</b>	<b>459467</b>	<b>560752</b>	<b>636318</b>
<b>Commercial / Industrial</b>	<b>862</b>	<b>1382</b>	<b>1876</b>	<b>2292</b>	<b>2580</b>
<b>Total</b>	<b>333706</b>	<b>388078</b>	<b>461343</b>	<b>563044</b>	<b>638898</b>

# PNG Network

Figures in kilometers

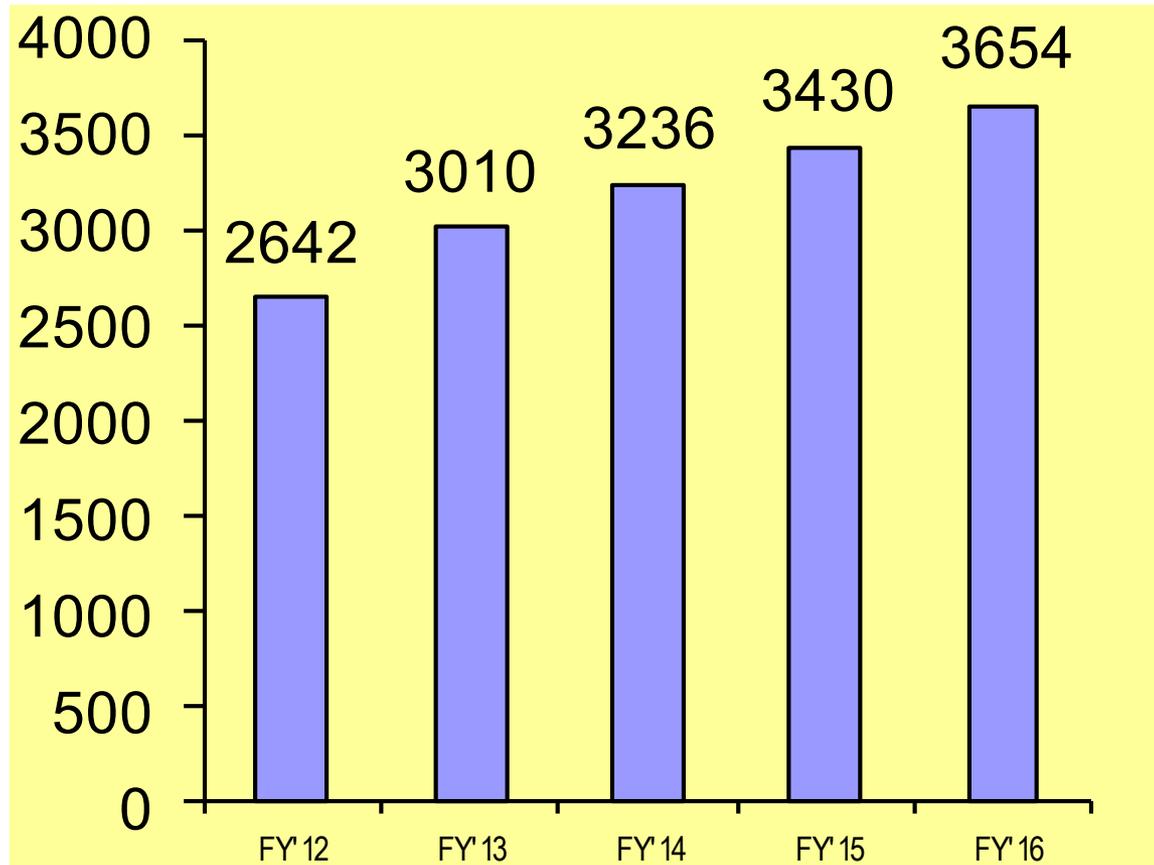
<b>CATEGORY</b>	<b>March '12</b>	<b>March '13</b>	<b>March '14</b>	<b>March' 15</b>	<b>March' 16</b>	<b>CAGR last five years</b>
<b>Steel Pipeline</b>	<b>574</b>	<b>631</b>	<b>658</b>	<b>681</b>	<b>707</b>	<b>11%</b>
<b>MDPE Pipeline</b>	<b>6479</b>	<b>7783</b>	<b>8438</b>	<b>8966</b>	<b>9444</b>	<b>16%</b>
<b>Total</b>	<b>7053</b>	<b>8414</b>	<b>9096</b>	<b>9647</b>	<b>10151</b>	<b>16%</b>

# *Standalone Financial Data*

Rs./Crores

	FY12	FY13	FY14	FY15	FY16	CAGR
<b>GROSS TURNOVER</b>	<b>2790</b>	<b>3724</b>	<b>4319</b>	<b>4049</b>	<b>4052</b>	<b>16%</b>
<b>PAT</b>	<b>306</b>	<b>354</b>	<b>360</b>	<b>438</b>	<b>416</b>	<b>10%</b>
<b>EPS (Rs./share)</b>	<b>22</b>	<b>25</b>	<b>26</b>	<b>31</b>	<b>30</b>	<b>10%</b>
<b>Book Value (Rs./Share)</b>	<b>88</b>	<b>107</b>	<b>126</b>	<b>150</b>	<b>172</b>	<b>19%</b>

## Cumulative Capex (Rs. in crores)



# Dividend

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

<u>Year</u>	<u>% of equity</u>
FY12	50
FY 13	55
FY 14	55
FY 15	60
FY 16*	60

\* Proposed. Subject to approval of Shareholders

## *Acquisition of Equity in Other CGDs*

- 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 improvement of consolidated earnings of IGL by approx. 12 %.

## **Consolidated Results**

- First time consolidation of financial results has been done during FY 2015-16 with the Associates i.e. CUGL & MNGL on equity method considering 50% share in their profit. The standalone and consolidated results are as under.

<b>Parameter</b>	<b>Unit</b>	<b>Standalone</b>	<b>Consolidated</b>
PAT	Rs. In Crores	416	464
EPS	Rs./Share	30	33

# *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.
- Regained the status of zero debt company.
- 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.

## *Safe Harbor Statement*

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