

GAIL approves Rs. 7,500 crore investment for Southern pipelines

(Dabhol – Bengaluru & Kochi – Kanjirkkod – Bengaluru – Mangalore)

Chief Secretary, Karnataka assures full support to pipeline projects

New Delhi, June 25, 2009.

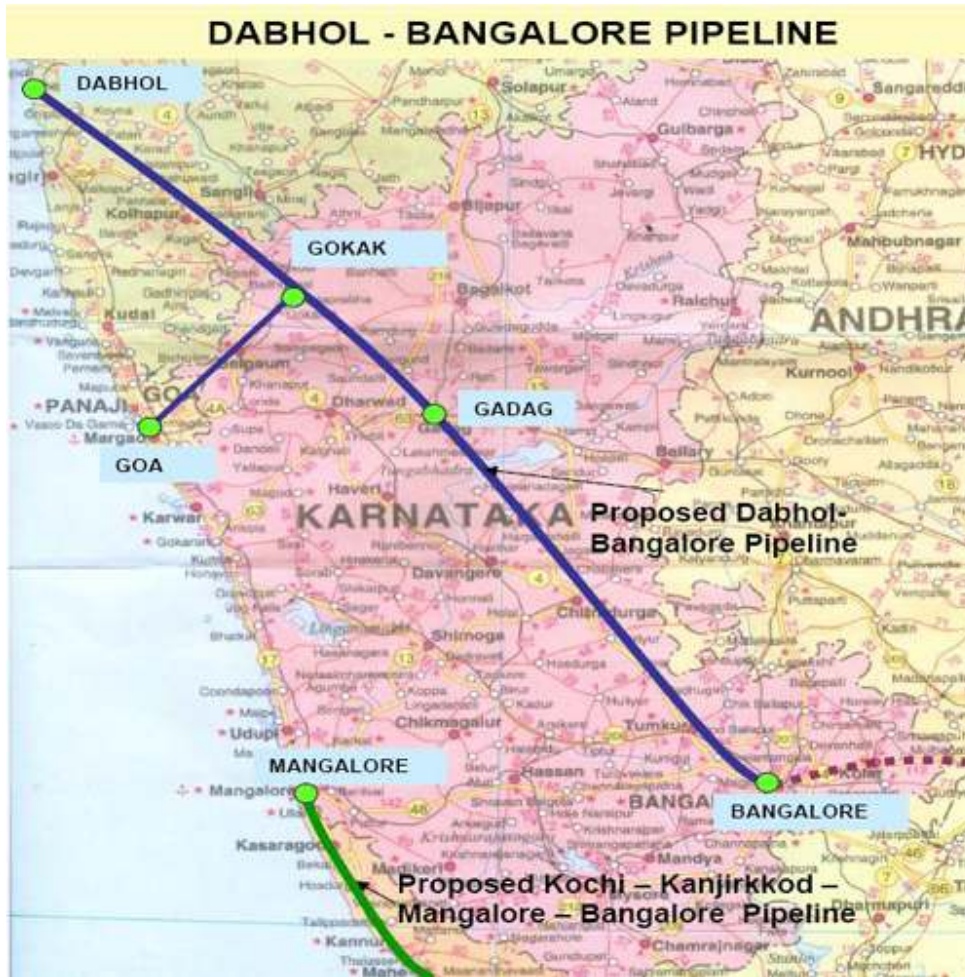
GAIL's Board of Directors has accorded an investment approval of over Rs. 7,500 crore for laying Dabhol – Bengaluru and Kochi – Kanjirkkod – Bengaluru – Mangalore pipelines. The approvals were accorded at the recently held Board Meeting in Delhi.

Dr. U.D. Choubey, Chairman and Managing Director, GAIL called on Shri Sudhakar Rao, Chief Secretary, Government of Karnataka in Bengaluru today. During the meeting, the Chief Secretary assured of full support from the state Government for implementation of these pipeline projects.

GAIL Board approved an investment of Rs. 4543.43 crore including foreign exchange component of Rs.193.45 crore for 1,389 km Dabhol – Bengaluru pipeline project. The design capacity of the 30 inch diameter Dabhol-Bengaluru section is 16 MMSCMD and the project will be implemented in two phases.

In part A of the first phase, 402 km pipeline will be laid from Dabhol to Gokak along with spurlines to Belgaum and Goa at an estimated investment of Rs.1593.47 crore and is scheduled to be completed by 2011-12. In part B of the phase I, 570 km pipeline will be laid from Gokak to Bengaluru (KPCL, Bidadi) along with spur lines / feeder lines to Bengaluru at an estimated investment of Rs. 2,463.91 crore and is scheduled to be completed by 2011-12 / 2012-13.

In phase II of the project, 417 km spur lines / feeder lines will be laid to Ratnagiri, Kolhapur, Sangali, Bijapur, Dharwad, Devangere, Harihar and Tumkur at an estimated investment of Rs. 486.05 crore and is scheduled to be completed by 2012-13 / 2013-14.



For the second project, 1,114 km Kochi – Kanjirkkod – Bengaluru – Mangalore pipeline, an investment of Rs. 3,032 crore including foreign exchange component of Rs.18.57 crore has been approved for. The design capacity of this pipeline is 16 MMSCMD including 4 MMSCMD as common carrier and the project will be implemented in two phases.

In phase I of the project, 96 km pipeline will be laid from from Kochi to Always (Tap-off) with spur lines / feeder lines to Always (SEZ Vyapin Kochi, GTN Textiles), Udyogmandal (Premier Tyre Kalamassery, REL, FACT-I, Sudchemic & Travancore Cochin), Binannipuram (Cochin Minerals & Binani Zinc), Ambalamedu (Kerala Chemicals & Protein Ltd. Kakkanad, FACT-II, BPCL Refinery, Hindustan Organic Ltd., Philips Carbon & MILMA) at an estimated investment of Rs. 267.50 crore. The phase I is scheduled to be completed by 2011-12.



In phase II of the project, 1018 km pipeline will be laid from Alwaye (Tap-off) to Kanjirakkod, Kanjirakkod to Mangalore and Kanjirakkod to Palghat / Palakkad with spurlines / feeder lines to Thrissur (Apollo Tyres), Kottakal (Aryavaidsala), Kozhikode (KESEB Power Plant), Kannur (Western Plywood, Power Projects), Mangalore (MCF) and Palakkad (Indosil, Precoat & steel industries). The phase II of the project will involve laying of pipeline from Palakkad to Bengaluru with spurlines / feeder lines to Coimbatore (Sri Kannapan, Flow Link, CPC, Koval Auto, KG Denim, Van Tax, Texmo Precision, Texmo Industries, Supper Spinning, LG Balkrishan & Bros Ltd), Trippur (Local area network for SA Textiles Ltd. & Gomukhi Spinning), Truchengode (Agni Steels Ltd at Erode, Pavai Alloys, Ram India Steels & Janson Industries) and Salem (Micro Tech at Hosur and NGA Steels P Ltd & Sri Krishna Alloys). The phase II of the project will involve an estimated investment of Rs. 2764.50 crore is scheduled to be completed by 2012-13.

GAIL had received the authorization for laying Dabhol – Bengaluru and Kochi-Kanjirakkod –Bengaluru- Mangalore pipelines from MoP&NG in July, 2007.

About GAIL (India) Limited

GAIL today owns and operates a network of over 7,000 km of Natural Gas high pressure trunk pipeline with a capacity to carry 155 MMSCMD of natural gas across the country. Today, the major focus for GAIL is to maintain its dominant position in the gas business, especially the transmission segment and continue the relationship with existing customers and also add more customers. Therefore, during the 11th plan period, GAIL would build 5000 km of pipelines at an estimated investment of Rs. 20,000 crore. When these pipelines are commissioned, the capacity is expected to increase to around 300 MMSCMD in 2011.

According to the audited figures, Turnover (net of excise duty) in the year 2008-09 was Rs. 23,776 crore. The Profit Before Tax during the year 2008-09 was Rs. 4,204 crore. The Profit After Tax during the year 2008-09 was Rs. 2,804 crore.

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