



**Memorandum of Understanding
between
Ministry of Petroleum and Natural Gas
&
GAIL (India) Limited**

Year 2020-21



Brief about the CPSE

Annexure-I

1.	Name of the CPSE	GAIL (India) Limited		
2.	Status (Please tick) : As per DPE guideline	Maharatna		
3.	Schedule of the CPSE (Please tick)	A/B/C/D/None		
4.	Purpose for which CPSE has been set up and the main business now	GAIL has been set up to accelerate and optimize the effective and economic use of Natural Gas and its fractions to the benefit of the national economy. GAIL's main businesses includes Gas Marketing and Transmission, Petrochemicals, LPG and other Liquid Hydrocarbons, LPG Transmission, etc.		
5.	Any capital restructuring during 2018-19, i.e. buy-back of shares, issue of bonus shares, issue of fresh shares, splitting of shares and percentage of PAT given as dividend.	Buy back of shares- Nil Issue of bonus shares- Nil Issue of fresh shares- Nil Splitting of shares- Nil Percentage of PAT given as dividend (including dividend tax)- 36.18%		
6.	Whether shares are listed (if yes, name of Stock Exchange and price of the share as on date).	Yes NSE- INR 84 BSE- INR 84.10		
7.	Any change in Capacity during the year or next year (MoU year)	CPSE will add 8.5 MMSCMD capacity during the FY 2020-21.		
8.	Any business unit hived off or to be hived off or Added or to be added during the year or next year (MoU year)	No		
9.	Brief about the sector in which CPSE is operating and national and international environment, regulatory environment etc.	Attached as separate Annexure-A		
10.	Details of revival plan if approved	N.A		
11.	Any adverse comment by statutory auditors and its impact on Revenue/profit/Loss/Assets/Liabilities.	Nil		
12.	Whether C&AG Supplemented the comments of Statutory Auditor. If not, give details alongwith impact.	Nil		
13.	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years			
	Year	Name of subsidiary	Amount invested (Rs.)	Share in its profit (Rs.)
	2014-15	Attached as separate Annexure-B		
	2015-16			
	2016-17			
	2017-18			
2018-19				
14.	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years			
	Year	Name of Joint Venture	Amount invested (Rs.)	Share in its profit (Rs.)
	2014-15	Attached as separate Annexure-C		
	2015-16			
	2016-17			
	2017-18			
2018-19				

**Mandatory Parameters
PART A**

Annexure-II

SL	Criteria	Unit	Marks	2019-20 (Actual)	Ex	VG	Good	Fair	Poor
Financial Performance (50%)									
1	Revenue from Operations (Net of Taxes)	Rs. Cr.	10	71,871	61,358	56,930	53,767	51,870	50,605
2	Operating Profit as % of Revenue from Operations	%	20	8.94	11.08	7.00	3.50	2.00	1.50
3	PAT as % of Average Net-Worth	%	20	16.34	16.34	10.00	5.00	4.00	3.50
Total (A)			50						

**Other Parameters
PART B**

SL	Criteria	Unit	Marks	2019-20 (Actual)	Ex	VG	Good	Fair	Poor
4	Capacity Utilization (10%)								
4.1	Gas Marketing	MMSCMD	6	96.26	97.00	90.00	85.00	82.00	80.00
4.2	Gas Transmission	MMSCMD	4	108.37	109.00	104.00	97.53	92.11	86.70
5	Capex Parameters (18%)								
5.1	Achievement of CAPEX target of Rs. 5,412 Crore	%	15	-	120	100	90	85	80
5.2	Percentages of value of CAPEX contracts/ projects running/ completed during the year without time/ cost overrun to total value of CAPEX contracts running/ completed during the year	%	3	-	100	95	90	85	80
6	Production Efficiency Parameter (2%)								
6.1	Uninterrupted Availability of Natural Gas pipeline & supply of quality gas to the consumers	Hrs.	2	8784	8760	8640	8520	8400	8280

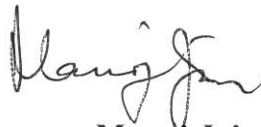
SL	Criteria	Unit	Marks	2019-20 (Actual)	Ex	VG	Good	Fair	Poor
7	Parameter related to contingent liability (2%)								
7.1	Reduction in claims against the Company not acknowledged as debt over previous year-Overall	%	2	-	20	18	16	14	12
8	Parameters by Administrative Ministry (8%)								
8.1	Achievement of Targets as given by Administrative Ministry for PNG Connection i.e. 13.74 Lakhs	%	2	-	100	70	65	60	55
8.2	Achievement of Targets as given by Administrative Ministry for New CNG station or order for MRU i.e. 426 Nos.	%	2	-	100	90	81	72	63
8.3	Achievement of Targets as given by Administrative Ministry for Work Order for Establishment of CNG stations under DODO policy i.e. 500 Nos.	%	2	-	100	70	65	60	55
8.4	Achievement of Targets as given by Administrative Ministry for Financial Closure of Compressed Bio Gas plants achieved by Project Proponents i.e. 75 Nos.	%	2	-	100	70	65	60	55

SL	Criteria	Unit	Marks	2019-20 (Actual)	Ex	VG	Good	Fair	Poor
9	Parameter related to GeM Portal (5%)								
9.1	Percentage of procurement of goods and services through GeM portal to total procurement of goods and services during the previous year i.e. FY 2019-20	%	5	-	25	20	15	10	5
10	Other Parameters (5%)								
10.1	At-least 100% of Dividend Pay-out as decided by DIPAM*	Yes/No	3	-	YES	-	-	-	-
10.2	Achieving 100% of milestone for Asset Monetization as decided by DIPAM*	Yes/No	2	-	YES	-	-	-	-
TOTAL					100				

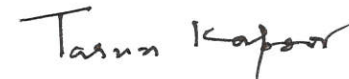
*If targets given by DIPAM are not achieved by CPSE, then no marks will be awarded at the time of evaluation.

Note:

1. In working out achievements for the year, quantified qualifications of CAG/Statutory Auditors would be adjusted in case of overstatement of Revenue/Profit/Surplus or understatement of Loss/Deficit, in addition to the negative marks prescribed in MoU guidelines.
2. Adjustment would be made in the targets in case of improvement in actual performance over the estimated performance in the base year (2019-20) as per MoU Guidelines.
3. Targets decided are unconditional and no offset will be allowed on any ground. Further, evaluation would be subject to compliance of Additional Eligibility criteria as contained in MoU guidelines.



Manoj Jain
Chairman & Managing Director
GAIL (India) Limited



Tarun Kapoor
Secretary
Ministry of Petroleum & Natural Gas

New Delhi, 19th October, 2020