



गेल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम - महारत्न कंपनी)

GAIL (India) Limited

(A Government of India Undertaking - A Maharatna Company)

गेल भवन,  
16 भीकाएजी कामा प्लेस  
नई दिल्ली-110066, इंडिया  
GAIL BHAWAN,  
16 BHIKAIJI CAMA PLACE  
NEW DELHI-110066, INDIA  
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ND/GAIL/SECTT/2015

October 8, 2015

Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No C/1, G Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400051

**Sub.: Quarterly Compliance Report on Corporate Governance - Clause 49**

Dear Sir,

This is in compliance of the Listing Agreement.

Please find enclosed herewith Quarterly Compliance Report on Corporate Governance, in the prescribed format, for the quarter ended on 30<sup>th</sup> September, 2015.

The above is for your information and records.

Thanking you  
Yours faithfully

(N.K. Nagpal)  
Company Secretary

**Encl.:** As above

Copy to:

1. Listing Department  
BSE Limited  
Floor 1, Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400001
2. Deutsche Bank AG, Filiale Mumbai  
TSS & Global Equity Services  
The Capital, 14th Floor  
C-70, G Block, Bandra Kurla Complex  
Mumbai -400051

K/A-Sh. Alan Lopes




**Quarterly Compliance Report on Corporate Governance**

**Name of the Company** : **GAIL (INDIA) LIMITED**  
**Quarter ending on** : **30<sup>th</sup> September, 2015**

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
<b>II. Board of Directors</b>	<b>49 (II)</b>		
(A) Composition of Board	49 (IIA)	No	Please see Note 1.
(B) Independent Directors	49 (IIB)	No	
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	
(D) Other provisions as to Board and Committees	49 (IID)	Yes	
(E) Code of Conduct	49 (IIE)	Yes	
(F) Whistle Blower Policy	49 (IIF)	Yes	
<b>III. Audit Committee</b>	<b>49 (III)</b>		
(A) Qualified & Independent Audit Committee	49 (IIIA)	No	Please see Note 2.
(B) Meeting of Audit Committee	49 (IIIB)	Yes	
(C) Powers of Audit Committee	49 (IIIC)	Yes	
(D) Role of Audit Committee	49 (IIID)	Yes	
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	
<b>IV. Nomination and Remuneration Committee</b>	<b>49 (IV)</b>	No	Please see Note 3.
<b>V. Subsidiary Companies</b>	<b>49 (V)</b>	Yes	
<b>VI. Risk Management</b>	<b>49 (VI)</b>	Yes	
<b>VII. Related Party Transactions</b>	<b>49 (VII)</b>	Yes	
<b>VIII. Disclosures</b>	<b>49 (VIII)</b>	Yes	
(A) Related Party Transactions	49 (VIII A)	Yes	Please see Note 4.
(B) Disclosure of Accounting Treatment	49 (VIII B)	Yes	
(C) Remuneration of Directors	49 (VIII C)	Yes	
(D) Management	49 (VIII D)	Yes	
(E) Shareholders	49 (VIII E)	Yes	
(F) Proceeds from public issues, rights issue, preferential issues, etc.	49 (VIII F)	NA	

<b>IX. CEO/CFO Certification</b>	49 (IX)	Yes	Complied with the Annual Report 2014-15.
<b>X. Report on Corporate Governance</b>	49 (X)	Yes	Complied with the Annual Report 2014-15.
<b>XI. Compliance</b>	49 (XI)	Yes	Complied with the Annual Report 2014-15.

  
(N.K. Nagpal)  
Company Secretary

**Notes:**

1. As on 30.09.2015, GAIL's Board comprised of *four whole-time Directors including CMD and two Government nominee Directors including one Woman Director*. GAIL is a Government Company under the administrative control of the Ministry of Petroleum and Natural Gas, Government of India; the Directors are nominated/appointed by the Government of India. The Government of India is in process of selecting requisite number of Independent Directors. Further the tenure, performance evaluation and extension of term of Independent Directors is not within the control of the Company.
2. As stated at 1 above, GAIL does not have any Independent Director(s) on its Board w.e.f. 01.03.2015. However, Audit Committee has been re-constituted comprising of three members out of whom two are whole-time Directors and one is non-executive Director (Government nominee Director).
3. As stated at 1 above, GAIL does not have any Independent Director(s) on its Board w.e.f. 01.03.2015. However, GAIL has re-constituted Nomination and Remuneration Committee comprising of three members out of whom Chairperson is non-executive Director (Government nominee Director) and the other two members are whole-time Directors.

GAIL is a Government Company, the power to appoint Directors and to fix their remuneration vests with the Government of India. However, the Company has Nomination and Remuneration Committee, inter-alia, to approve performance related pay of the employees of the Company.

**4. *Material Related Party Transaction (Material RPT):***

Petronet LNG Limited (PLL) is a joint venture of GAIL in which GAIL has 12.5 equity stake along with other promoters. PLL is a related party of GAIL in terms of clause 49 (VII) of the Listing Agreement. GAIL, inter-alia, procures LNG Cargoes and re-gasified Liquefied Natural Gas from PLL and utilizes re-gasification facilities of PLL LNG re-gasification terminal(s) located at Dahej, Gujarat and Kochi, Kerala.

Shareholders in Annual General Meeting held on 16.09.2015 has approved Material Related Party Transactions with Petronet LNG Limited for FY 2014-15 for approx. Rs. 21,500 crores which exceeded 10% of the consolidated turnover of the Company and also for proposed Material Related Party Transactions with Petronet LNG Limited for FY 2015-16 for approx. Rs. 25,000 crores which is likely to exceed 10% of the consolidated turnover of the Company for FY 2014-15.