



गेल (इंडिया) लिमिटेड

(भारत सरकार का उपक्रम-
महारत्न कम्पनी)

GAIL (India) Limited

(A Government of India Undertaking-
A Maharatna Company)

ND/GAIL/SECTT/2015

April 10, 2015

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th 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 *31st March, 2015*.

The above is for your information and records.

Thanking you
Yours faithfully

(N.K. Nagpal)
Company Secretary
e-mail: nknagpal@gail.co.in

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-Ms. Savita Desai

Website : www.gailonline.com CIN No. : L40200DL1984GOI018976

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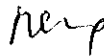


Quarterly Compliance Report on Corporate Governance

Name of the Company : **GAIL (INDIA) LIMITED**
 Quarter ending on : **31st March, 2015**

Particulars	Clause of Listing agreement	Compliance Status Yes/No	Remarks
II. Board of Directors	49 (II)		
(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	
III. Audit Committee	49 (III)		
(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	
IV. Nomination and Remuneration Committee	49 (IV)	No	Please see Note 3.
V. Subsidiary Companies	49 (V)	Yes	Please see Note 4.
VI. Risk Management	49 (VI)	Yes	
VII. Related Party Transactions	49 (VII)	Yes	
VIII. Disclosures	49 (VIII)	Yes	
(A) Related Party Transactions	49 (VIII A)	Yes	Please see Note 5.
(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	

IX. CEO/CFO Certification	49 (IX)	Yes	Complied with the Annual Report 2013-14.
X. Report on Corporate Governance	49 (X)	Yes	Complied with the Annual Report 2013-14.
XI. Compliance	49 (XI)	Yes	Complied with the Annual Report 2013-14.


 (N.K. Nagpal)
 Company Secretary

Notes:

1. As on 31.03.2015, GAIL's Board comprised of *five whole-time Directors including CMD and one Government nominee Director*. GAIL does not have any Woman Director. The term of Independent Director(s) on GAIL's Board expired on 28.02.2015. 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.

GAIL is a Government Company, therefore, 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 all of whom are whole-time Directors.
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 which Chairperson is non-executive Director (Government nominee Director) and two members are whole-time Directors.

GAIL being 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 to the executives of the Company.

4. GAIL has no Material Subsidiary Company. However, the Company has formulated a Policy on Material Subsidiary. The same is hosted on the website of the Company.
5. The Company has formulated a Policy on Related Party Transactions (Policy on materiality of related party transactions and also on dealing with Related Party Transactions). The same is hosted on the website of the Company.

Material Related Party Transaction:

Petronet LNG Limited (PLL) is a joint venture of GAIL and therefore, related party of GAIL in terms of clause 49 (VII) of the Listing Agreement. GAIL has 12.5% equity stake in PLL along with Bharat Petroleum Corporation Limited, Oil and Natural Gas Corporation Limited and Indian Oil Corporation Limited as equal partners. GAIL, inter-alia, purchases re-gasified Liquefied Natural Gas from PLL, utilizes re-gasification facilities of PLL LNG re-gasification terminal(s) located at Dahej, Gujarat and Kochi, Kerala.

Transactions of GAIL with P.I.L. during FY 2014-15 are likely to exceed 10% (ten) percent of the annual consolidated turnover of GAIL as per the last audited financial statements for FY 2013-14. Approval of shareholders for the same will be taken, whenever required, in GAIL's AGM to be held during the year 2015.